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THE MINING INDUSTRY.

EVIDENCE AND REPORT

OF THE

INDUSTRIAL COMMISSION OF ENQUIRY,

WITH AN APPENDIX

CONTAINING

THE LETTER OF THE CHAMBER OF MINES TO THE COMMISSION,
THE PRINCIPAL LAWS OF THE REPUBLIC AFFECTING THE MINING INDUSTRY,
AND OTHER DOCUMENTS OF INTEREST APPERTAINING TO THE
EVIDENCE GIVEN AT THE ENQUIRY.

Compiled and Published by

THE WITWATERSRAND CHAMBER OF MINES, JOHANNESBURG, S.A.R.

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1897.

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PREFACE.

SINCE its formation in 1889 the Chamber has been mainly engaged in endeavouring to secure the mines relief from the heavy burdens imposed on them. The cost of living, and hence the rate of wages of the white employees, has been rendered unduly high by the duties on the necessaries of life and on all articles of ordinary requirement, while heavy railway tariffs and the dynamite monopoly, and the difficulty of obtaining an adequate supply of native labour at reasonable pay, have militated against the profitable working and development of the industry as a whole. As is shown in the letter of the Chamber to the Industrial Commission all these matters have again and again been brought to the notice of the Government and the Legislature, but on the most important questions redress has not been obtained.

At the annual meeting of the Rand Mines, Ltd., in March last, especial stress was laid by the Chairman on the manner in which the development of the industry was being retarded by the excessive rates for transport of coal and other articles of prime necessity for mining, by the extortionate price charged for explosives, by the high cost of white labour, due to the duties on foodstuffs, and of native labour, consequent on the inefficient administration of the Pass and Liquor Laws and the scant assistance afforded by the Government in connection with procuring a sufficient supply at moderate wages. Subsequently at meetings of other companies similar complaints were made, and it was pointed out that unless relief were obtained many mines which were barely paying expenses would be forced to shut down, while others, which under favourable conditions could and would be profitably worked, would continue inactive.

Meanwhile the disastrous effects of rinderpest on the farmers and of bad trade on the urban population were becoming evident in a constantly widening area of acute distress.

Among the Executive Council minutes presented to the Volksraad is one which records, that, on the 24th March the Executive Council considered a complaint regarding the excessive tariffs charged in the South African Republic and other States of South Africa, and deeming it desirable to institute an enquiry into the state of affairs generally of the mining industry of the Witwatersrand, resolved to appoint a commission for that purpose. Accordingly on the 14th April the following notice appeared in the *Government Gazette* :—

"It is hereby made known for general information that the Executive "Council has seen fit to institute an enquiry with reference to the present "alleged state of affairs in connection with the mining industry of the Wit-"watersrand diggings in general, and to furnish the Executive Council with a "report regarding all matters that may have stood in the way, or have "hindered, and still may hinder the development of the mining industry, and "further, so soon as possible, to make such recommendations as may tend to "the improvement and amendment of such matters."

"The Commission, charged with this enquiry, consists of the following "gentlemen:—S. W. BURGER, member of Executive Council; J. S. SMIT, "Commissioner of Railways; C. J. JOUBERT, Minister of Mines; G. SCHMITZ-"DUMONT, Acting State Mining Engineer: and J. F. DE BEER, First Special "Judicial Commissioner, Johannesburg, as ordinary members, with Mr. THOMAS "HUGO, as financial expert; Messrs. E. BROCHON, J. PIERCE, and A. BRAKHAN "shall either jointly as a Commission, or severally, support the permanent "members of the Commission with their advice, whenever requested. In order "to make the work of the Commission as wide as possible they are authorised "to take evidence on all those matters that can forward the aim of the "Commission."

"The Government desires to bring under the notice of all persons con-"cerned that the willing tendering of evidence and information by each and "every one, no matter from whom required, will greatly assist the above "described aim.

(Signed) C. VAN BOESCHOTEN,

Acting State Secretary.

Government Office, Pretoria,
14th April, 1897."

Messrs. H. Bosch and E. Levy were appointed Secretaries, and with the consent of the Government, Messrs. James Hay (President of the Chamber of Mines) and George Albu (Chairman of the Association of Mines) were later added to the Commission as advisory members.

From the minute of the Executive Council of the 30th March it is clear that the duties of the financial expert and of the advisory members were intended to be of a very limited character. Mr. Hugo was not to be an ordinary member of the Commission, but was to sit merely as financial expert and as such to have the right of voting on financial matters; the advisory members were appointed as members to assist the Commission, whenever desired so to do, with information, explanation and advice.

But when the Commission started work it became evident that the advisory members by their knowledge of the questions under consideration were able to render indispensable service in eliciting evidence and examining and cross-examining witnesses, and they assumed and were accorded in all respects the same rights as those exercised by the ordinary members, eventually taking part in the drafting of the report and attaching their signatures to it.

The Commission opened their sittings, for the taking of evidence, on the 20th April and closed them on the 4th June: the actual time devoted to the hearing of witnesses having been twenty days. Their report was signed and presented to Government on the 27th July, and was laid before the Volksraad by the Government on the 9th August, with a request that that body would appoint a committee to act in conjunction with the Government in considering the various points contained therein, and make such recommendations as they might deem reasonable and desirable: and to refer to the Second Volksraad all such subjects as would properly come under the cognizance of that House.

After a protracted debate the proposal of the Government was adopted on the 10th August and the following committee, with instructions to submit its recommendations during the current session, was appointed, viz: Messrs. F. H. G. Wolmarans, A. D. W. Wolmarans, B. J. Vorster, C. J. Tosen, and L. Botha.

The mining industry responded willingly to the request of the

Government to give evidence before the Commission, and a mass of valuable statistical data in connection with the working of the mines, and the way in which the low grade properties were kept idle by the various burdens and administrative shortcomings which artificially raise working costs, was submitted.

With the object of preserving this important evidence and rendering it available for the mining companies for purposes of reference, the Chamber determined upon publishing it in book form. It was also deemed advisable to embody in the volume the different laws of the State bearing directly on the mining industry and the agreements entered into by the Government in connection with the railway concession and the dynamite monopoly, which formed the subject of frequent reference by many of the witnesses; while population and other statistics have been added as being of interest in relation to the questions dealt with by the Commission.

For the convenience of the reader the evidence of those witnesses, whose examination did not proceed continuously, has been brought together; marginal notes have been furnished throughout, and the index has been arranged to facilitate reference to the various subjects covered by the enquiry.

It had been hoped that the report of the Volksraad Commission would have been published in time to have been included in this volume, but that expectation has not been realised. The report has still to be presented, and it remains to be seen to what extent the Legislature will then approve and give effect to the recommendations of the Commission. These recommendations, though not proceeding so far as the Chamber would have desired, are generally regarded by the industry as liberal and statesmanlike; and it is clear that if adopted they will do much towards permitting that expansion of mining operations which would result from the working of the poorer mines of the Witwatersrand.

By their condemnation of monopolies and concessions, by their recommendations for the lightening of the duties on foodstuffs and of the railway rates on coal and other articles, in their plea for the better and more effective administration and enforcement of the Pass Law, the

Liquor Law, and the Gold Thefts clauses of the Gold Law, the Commissioners appointed by the Government to enquire into the state of affairs of the gold mining industry of the Witwatersrand have testified in the fullest possible way to the reality of the grievances which are bearing so heavily on the mines and to the justice of the demands for redress, which unfailingly, year by year, the Chamber has laid before the Government and the Legislature of the Republic.

Chamber of Mines,
20th September, 1897.

List of Witnesses.

		1897.
Mr.	J. Hay	April 20.
„	G. Albu	April 21, 22.
„	E. J. Way	April 22.
„	S. Jennings	April 22.
„	J. P. Fitzpatrick	April 27, 28.
„	W. L. Hamilton	April 28.
„	F. Raleigh	April 29.
„	R. M. Catlin	April 29.
„	W. Dalrymple	May 5.
„	C. S. Goldmann	May 5, 6.
„	Martin Lubeck	May 6.
„	L. I. Seymour	May 6.
„	R. Barrow	May 7.
„	E. Brochon	May 7.
„	A. Brakhan	May 12.
„	H. Jennings	May 12. June 1.
„	T. H. Leggett	May 12.
„	J. H. Johns	May 12, 13.
„	J. B. Robinson	May 13.
„	H F. E. Pistorius	May 14.
„	A. A. Noble	May 14.
„	K. Rood	May 19.
„	F. Kock	May 19.
„	A. B. Fyffe	May 19.
„	G. A. A. Middelberg	May 20, 21.
„	W. C. Thomson	May 21.
„	S. Foote	May 21. June 2.
„	W. R. Brown	May 26.
„	W. Shanks	May 26.
„	G. A. Denny	May 26.
„	A. Phillip	June 2, 3.
„	W. Hall	June 3.
„	W. Hosken	June 3, 4.

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THE INDUSTRIAL COMMISSION OF ENQUIRY.

The Members of the Commission, Messrs. SCHALK W. BURGER, Member Executive Council (Chairman); J. S. SMIT, Government Railway Commissioner; CHRISTIAAN JOUBERT, Minister of Mines; SCHMITZ-DUMONT, Acting State Mining Engineer; J. F. DE BEER, First Special Judicial Commissioner, Johannesburg; THOS. HUGO, General Manager National Bank (financial advisor); E. BROCHON, A. PIERCE, Manager Natal Bank, Johannesburg; A. BRAKHAN, (advisory members,) opened the enquiry at Johannesburg on the 20th April, 1897. On the 27th of the month Mr. JAS. HAY, President of the Chamber of Mines, and Mr. G. ALBU, Chairman of the Association of Mines, were added to the Commission as advisory members. Members of the Commission.

The CHAIRMAN explained that, in accordance with the powers entrusted to it by the Executive Council, Minute B 4,365 of 1897, this Commission took upon it to institute a thorough and searching inquiry into the alleged grievances of the mining industry as set forth by those interested; and the latter, as many of them as should give in their names to the Secretary, would be called upon to inform the Commission personally of their grievances and difficulties. As necessarily consequent upon and connected with the mining industry, the following subjects would be taken into consideration, namely, the labour question, traffic rates, taxation, dynamite, trade, agriculture, and other matters associated with the said industry. To those who were interested opportunity would be given personally and by way of evidence to enlighten the Commission on these points, in order to place it in a position to lay before the Government a true report of affairs, and, where possible, to recommend the desired alterations and improvements. The purpose and tendency of the Commission had already appeared from the notice in the *Staatscourant* and from the resolution already adopted by the Commission. But since the scope of the Commission embraced a great deal, and was of the highest importance for the land in general, and for the gold-fields in particular, and as he understood its results were anticipated with interest, he took the liberty, and deemed it not out of place, at the commencement of its proceedings, to offer a few further remarks on behalf of himself and fellow-members. He had noticed that the press had already indulged in all manner of reflections and predictions regarding the labours of the Commission. Appointment of Commission. Scope of Enquiry.

Objects of Commission.

I hope, continued the Chairman, I shall not render myself guilty of anticipating the result of our labours; but I desire to limit myself to the following points, with the object of making our position clear to you, so that we may be able to reckon the more upon your valued assistance and co-operation :

(a) The *raison d'être* of the Commission.

(b) Ascertaining the causes of the alleged grievances.

(c) The bringing to light of the actual state of the mining industry of the Witwatersrand Goldfields in general, and the reason for the same.

(d) After inquiry into and investigations of affairs, to propose amendments to the Government.

For the rest, the Commission was prepared to deal with the requirements of the mining industry in a sympathetic manner, but it must first appear to the Commission what the actual cause was of the alleged condition of affairs, and if this cause was to be ascribed to the high rate of wages, bad administration, burdensome taxation, excessive rates of transport, foreign influence and policy, or to one or other of the said causes.

The Chairman enumerated the *personnel* of the Commission, and explained that Mr. Thomas Hugo was financial expert, and Messrs. Brochon, Pierce, and Brakhan were advisory members of the Commission.

Wishes of Government.

The Government was keenly alive to the importance of the mining industry, and for that reason was determined to probe the alleged grievances to the bottom. Why he said "alleged" was because neither the Commission nor the Government were certain that any such grievances existed. What the Government and Commissioners wanted was a clear statement of fact, and if there was any blame or culpability to be placed on the side of the Government, such as excessive taxation, etc., and other burdens, the Commission would promptly advise the Government on those points, with the view of having matters remedied. On the other hand, they wanted clear and unreserved and honest statements from the other side as to what was the origin or cause of the present depression. The evidence would have to be given fully and boldly and without reserve, for the Commission wanted to know whether this depression or reaction was due to over-speculation or other causes.

The Industry's Duty.

Over Speculation.

It was by the mining industry and those interested that the grievances would have to be enumerated. The present condition of things was not wholly unexpected by him (the Chairman). Those who had seen the wild and hysterical state of affairs during the boom had expected a reaction. He was of opinion that in some instances more capital had been put into the ground than certain tracts of ground really justified. Capital had been invited from European centres; the thousands who had since flocked into Johannesburg thought that gold was to be picked up in the streets. The present state of affairs was not unknown or unprecedented in other countries; indeed, in South Africa the same thing had occurred in the Diamond Fields. First there was a period of excessive speculation and then the reaction, until conditions were restored to their normal state.

Reasons for Depression.

Mr. J. F. DE BEER read the second portion of the Chairman's speech, which stated that the Commission was keenly desirous of obtaining a true statement of affairs, and to know whether the present depression was ascribable to excessive taxation, dynamite, railway rates, labour question, or other burdens, foreign interference, etc. They expected from the mining industry evidence that would be accompanied by accredited statistics. It seemed to him that half the trouble was due to the matter of white labour, which absorbed 50 per cent. of the total working cost. He also referred to the machinery contracts which were invariably placed in England or America. If this machinery were made here it would create work for many who

were at present deprived of their employment on the mines. He hoped for the hearty co-operation of the mining industry in these matters, and trusted that the operations of the Commission would be conducted with harmony, and that some plan, might be evolved by which the industry would be restored to its brilliant, normal state.

The first witness called was Mr. JAMES HAY, who was sworn by Mr. J. F. de Beer and said: I am the Chairman of the Chamber of Mines in Johannesburg.

Mr. *de Beer.*

You have seen that various memorials have been presented from the Chamber of Mines to the Government regarding the grievances alleged to exist in connection with the mining industry?—Yes. Mr. James Hay's Evidence.

Will you give us evidence upon the points raised in those memorials?—At the present moment we have only as yet heard, that is since Friday afternoon, about the sittings of the Commission. It is a very wide Commission. The question is, what evidence do you wish me to give?

We want to know everything about these grievances, everything in your power to give. And we look to you to furnish such information as representing the Chamber of Mines and, of course, the mining industry.—The Chairman has made a statement as to the objects of the Commission and what it ought to embrace, and I think he said it would be for the benefit of the people that they might know all the points. I do not understand Dutch sufficiently well to follow all that has been said, but if the points are put before me that I am required to answer, I will come prepared to do so. It is a very wide subject and, generally, I do know all about the industry, but there may be many points about which the Commission require information, technical and otherwise, which, if I only knew what was required, could easily be provided.

Chairman.

The first notice was published on the 14th inst.

Mr. *de Beer.*

We want the fullest particulars, as a copy will be submitted to the Volksraad. We would like you to speak about what is contained in the memorials.—This *(producing paper)* begins with the liquor law. We approve of that law, and only ask that it be more efficiently administered. That is what the memorial embraces. There is another matter, that of dynamite. The report of the Commission appointed by the Volksraad shows that the concessionaires have not complied with their conditions, and that they have secured very large profits from their concession. The principal point in the memorial is that the Government should afford relief by a reduction being made in the price of dynamite. Liquor Law. Dynamite.

Chairman.

That is one of the points upon which we can begin, and about which the Commission wishes to hear evidence. The required reduction of the cost is said to be one of the existing grievances, its expense being one of the alleged causes of the depression, and it now rests with you and the representatives of the industry to show that to be a fact.—I will be able to produce evidence and statistics with that object.

Witness.] I think, perhaps, it would simplify matters very much if I put my views forth as to what the industry requires, and then it would be for you to say what meets with your approval, and what can be pursued further as you wish. We had better follow some plan or we shall get into hopeless confusion before we have done.

Chairman.

We do not want to ask you anything you do not know; but you must understand that this is a Commission of Investigation. There are certain alleged grievances, which must be reported upon to the Government. There are several complaints as you know yourself; but the *onus* lies on the mining industry to show where the grievances lie in order to enable the Government to deal with those grievances.

Classification of Mines.

Witness.] If you will allow me to make my statement first it will simplify matters very much. The mining industry here consists of practically two classes of mines; those that pay and those that don't pay. What I understand this Commission is to enquire into is whether it is possible to work those mines in such a way as to return a profit. Now, in working those mines the cost is divided into two classes, wages and material used in those mines. Wages are also divided into two classes, whites' wages, and blacks'. The cost of white wages depends upon the law of supply and demand, and the cost of the living of the white people. If the Commission desire to go into the question of the wages of the white people, we can prepare tables as required. The cost of living of the white people depends upon the price of the food they consume, and that is made up in this country largely by the charges on railway carriage and Customs dues, in addition to the original cost of the goods at the place where they came from. The next question is that of native wages, and it is a very important one, not only for the mines, but for the farmers, and everybody who requires labour. I think we are all agreed that the natives are too highly paid in this country. But the difficulty is, how can the wages be reduced, and I am not sufficiently acquainted with the natives of the Transvaal, and to the North, and in the Portuguese territory, to speak definitely on the matter, but it is quite possible for the Commission to have those here who are better able to say whether these wages can be reduced or not. Then another question is the cost of goods, which are supplied to the mines. That divides itself into several minor questions. The first probably that we could deal with would be that of dynamite, because that is an article which is a subject of monopoly in the country, and the price at which it is sold is beyond our control. The Volksraad appointed a commission to inquire into this question, and they made a report which is embodied in the translation I now hand in. It gives the quantity which is used, the price at which it is supplied to the Government, and the profit made by the concessionaires over and above the profit made by the manufacturer of the goods in Europe. If the Commission wish it we can supply further evidence. Then the next item of large use at the mines is coal, and the price at which it is delivered is affected by the railway charges. The whole question of the railway matter will be gone into by the Commission, I presume, because that question increases the cost of the goods, food, and stores which are required at the mines, and I think we are quite right in saying that the railways, not only of the Transvaal, but of Natal, Cape Colony and the Free State have made very handsome profits out of the carriage of the goods for the industry, and that they could reduce their tariffs without great injury to themselves. Broadly, that is the position of the mining industry. There are other questions involved. The Volksraad have already passed a new Liquor Law, which has acted favourably to the mining industry; they have also passed a Gold Law, and these two laws if efficiently and properly carried into effect would be of great advantage. The natives would not be able to get drink and would give full work, and if we had a good detective department we would be able to retain the gold which we now believe is being stolen from us. That practically sums up the position from the mining industry point of view, and on these heads we can supply the Commission with

Mining Costs.

White Wages.

Native Wages.

Dynamite.

Coal.

Railway Profits.

Gold and Liquor Laws.

any information that is required to facilitate their investigations. I should like to know if the Commission wish to approach the subject in that way, or if they have some arrangement of their own.

Mr. *Joubert.*

We seem to be starting in the middle of the matter. What I would like to know first is if the child was born a healthy child; whether the primary intention of many of the mines was fair and honest. Were they floated according to value?—That would be impossible for me to say. Flotation of Mines.

Mr. *Smit.*

Are you interested in mining other than as Chairman of the Chamber of Mines?—I am a director of four companies—the Robinson, the Ferreira, the Jumpers and Paarl Central, and also of a coal company.

Are they paying mines?—The first two are absolutely paying; the Jumpers has paid at intervals, and the Paarl Central has never paid.

Is there only one Chamber of Mines?—There are two. Formerly they were one, but there was a split.

Why?—For various reasons. One object, however, both have in view. After the disturbances which occurred in the beginning of last year feeling ran rather strong between different parties interested in the mines, with the result that some members decided to have a new Chamber of Mines for themselves.

Were they political differences?—No.

What are their different names?—One is called the Witwatersrand Chamber of Mines, the other the Association of Mines of the South African Republic. I am chairman of the Chamber of Mines. Mr. Albu is chairman of the Association of Mines.

You say in a petition that the liquor law operated at first very satisfactorily, but not afterwards.—At first the people were afraid to sell liquor to the natives because they felt they would be apprehended and punished, but now they find the police supervision is not as good as it ought to be, and they are selling liquor to natives now at a higher price and making a profit. Working of Liquor Law.

The police supervision has not ceased, but the people used to be more afraid of the law?—Yes.

If there were a better staff of police and detectives it would be carried out properly?—I believe so.

Before the dynamite monopoly existed, what was the price of dynamite?—I cannot say; from memory I think it about £5. Dynamite.

At present?—About £5 7s. 6d. Of course the conditions of the country are altered since that time, the nearest point of the railway then being Kimberley.

At what price at the present moment could dynamite be landed here?—At less than 40s.

What guarantee have you that the manufacturers would not form a ring to keep up the price if the present monopoly was removed?—There are sufficient manufacturers now in the world, and the competition is so great that we could make contracts for the supply at reasonable prices. There are no patents in existence. Anybody can make dynamite.

Mr. *Joubert.*

What is the price of dynamite at the factory?—At the factory, 85s.

What is the imported price?—40s. or less.

Mr. *Schmitz Dumont.*

Railway Rates.

You have also said the freight charges are too high; what reductions do you wish made in order to make the poorer class of mines pay?—The rates on coal ought to be reduced to the lowest price the railway can afford to carry it for.

And as to machinery and other things?—I am not a railway expert, and cannot particularize what ought to be reduced specially.

What is your opinion as to the reductions on food and machinery carriage, in order to make the poorer mines pay?—I think the railways could make a reduction of 30 per cent.

What is the price of a ton of coals delivered at the mines?—About a pound.

How much could be saved out of that?—From Brakpan the cost of carriage is 5s. 1d. per ton; then there are siding charges of 2½d. per ton, and additional charges on taking it from the sidings to the mines.

What is the objection to coal being delivered in sacks instead of in bulk?—The Railway Company declines to give sidings where the trucks can be off-loaded. The train comes along with the coal, and they give you about ten minutes to take all the coal off, and unless it is in bags it cannot be taken off in time, and the line would be blocked.

Would it be better in bulk?—Yes. The saving in case of bags would be 1s. 6d. per ton; the filling and stowing another 6d. per ton and another advantage would be that the coal, when it is taken out of the mine, could be taken up in big blocks, instead of being broken up small, and causing the waste of coal, which, of course, has to be paid for by the industry.

Could you suggest a remedy against that, and also to bring about a reduction in kaffir wages?—I think you could get someone who could more satisfactorily answer these questions.

Kaffir Wages.

What do the kafirs get?—About 2s. a day and their food.

What do you think a fair wage?—I think they ought to work for 1s. 3d. or 1s. 6d. per day and their food.

Is there much trouble to get kafirs to work?—At times. Just now they are plentiful.

Mr. *Smit.*

Railway Dividends.

Do you mean that the railways in this State or outside are paid too much?—Speaking from memory, on the Cape line they make a profit of nine per cent. on their capital, the result of carrying goods for the Transvaal; they make about a million a year profit; and in Natal, last year, their profit was about three-quarters of a million, the bulk of which is made out of carriage of goods for the Transvaal.

In arriving at the thirty per cent., have you taken into consideration the relations between the capital and the earning power?—The question I answered was on goods used by the mines; the railway carries everything.

Do you mean they would make nine per cent. if they deducted thirty per cent. What would remain for the railways after thirty per cent. was deducted?—It would be impossible for me to say. At any rate less than nine.

Ferreira and Robinson Capitals.

What dividend does the Robinson mine pay?—13½ per cent. The Ferreira pays 275 per cent. The capital of this company is £90,000, that of the Robinson is £2,750,000.

Is it fair to take off from the 9 per cent. railways and nothing off these mines?—If all the companies were like the Robinson and Ferreira there would be nothing to say. I do not come here to ask for a reduction solely on their account.

Would it not be fair to make the good-paying companies pay for those that do not pay?—The question from the capital point of view has not been arrived at that way. The Ferreira, for instance, has a small capital; when they wanted money to open out, and working machinery, they were able to sell shares at a very high price to provide the necessary capital. The cost to open up the Ferreira was £450,000; that is, the cash required to provide machinery and to open out; and if you calculate the profit on that, you will find that reduced the profits very much.

The Jumpers—did that pay better than at present?—No.

Did neither Jumpers nor Paarl Central pay from the beginning?—The Jumpers paid a dividend the first month, but not another for about four years, and then it paid a dividend; another in about two years more, and there has been no dividend since January last year. Jumpers Dividends.

Can you explain why the Jumpers paid a dividend in the first month, and then no other for four years?—They had a very rich leader on the surface of the ground, and when they took that out, it was several ounces to the ton; the capital being small, they paid a dividend, as it cost next to nothing to get out the gold. Now that rich leader disappeared, and the reef is very much poorer. I may explain it thus: A reef may be profitable, it may be rich, and the cost of getting out a ton of ore is not so great as the gold obtained; if that reef becomes poorer the cost would be the same per ton, and you would have less or no profit; then comes the question that the reefs are not all continuous. [*The witness here exemplified his meaning by plan.*] It is the dead work which increases so largely the cost, it being one of the things no one knows until they get down. Some of the reefs are so broken up that the cost is more than the value of the gold in them when extracted.

Since when has the cost of dynamite been reduced?—Just about the time the concession was given the last time. About 1893. That was brought about by the fact that, when we proved that the dynamite was not being made in the country, the Government issued permits, and we were able to go and get the dynamite elsewhere. Nobels came in and sold at a lower price. Reduced Cost Dynamite.

Mr. *Brakhan.*

Can you tell us the railway freights on bulky articles in Europe and elsewhere?—Mr. Albu will be able to give you that information.

Chairman.

I would very much like to get some statistics.—If the Commission would state what they require, I will have it got ready.

We would like statistics on everything in connection with the importation by railway. As far as the matter has gone now, it does not bring us to the point yet. We must have figures before us to show that dynamite can be sold cheaper, also the railway charges, not the profit the railway makes. We want to know if a certain reduction be made, what effect that will have on the working of the mines. Statistics required.

Mr. *de Beer.*

We want reliable statistics, and I want to ask you whether you know what percentage of expenditure the labour forms. Please divide it into white and black labour.—Mr. Eckstein, at the Rand Mines meeting, recently, made the following statement:—He says these costs are mainly made up by half-a-dozen principal items; white labour, 28 per cent., or 8s. 3d. per ton; black labour, 23 per cent., or 6s. 9½d. per ton; explosives, 2s. 11½d. per ton; coal, 2s. 4½d. per ton. I hand you the report as read at the meeting. Percentage of Mining Costs.

Would these remarks apply to all mines, or only those working under exceptionally favourable conditions?—Mr. Eckstein made his report from twenty seven outcrop companies.

If we take the mines in general, would it be right to take 14s. for whites, and 11s. 6d. for blacks per ton?—No, that would be too high.

Do you consider the statement you just handed in to be a fair statement? Can we take it as reliable statistics?—Yes, I think so. I have not checked it.

According to your statement, the cost of some mines, labour alone, is over 50 per cent., so that more than half the cost is for labour?—Yes.

Is labour then the only question to be solved?—Yes, the question is how can it be solved.

That is why we want your co-operation in the matter. Amongst the expenses of labour, do you include all salaries?—Yes.

All directors' fees, etc.?—I cannot say. I should think so.

Native Labour Difficulties.

You say the native labour is far too high. You will admit that other industries cannot possibly compete with it at the present price of native labour. Has the Chamber of Mines ever inaugurated any scheme to get cheaper labour?—Yes, many schemes. We have had a separate inquiry in the matter to see if natives could not be brought from anywhere cheaper, but so far the matter has not been a success.

Is not one reason, that the native is not willing to work, and cannot be compelled to work?—Yes, especially in the Transvaal.

Forced Native Labour.

Have you ever submitted a scheme for compulsory labour by natives?—No, I think not.

Do you think it would be desirable to get forced labour?—Yes.

Against fair pay?—Of course.

So that the salaries would be equitable, comparing favourably with what they could earn elsewhere?—Yes.

Of course any statement you make here is in the capacity of representative of the Chamber of Mines and director of four companies?—Well, it must be taken as my opinion. There may be many members of the Chamber of Mines who do not agree with my opinion.

About the liquor question, you say it is a good law for the industry; do you mean generally or as far as the mines are concerned.?—Both.

Number of Liquor Licenses.

There are about 400 licences in Johannesburg proper. According to the new law there ought to be only 60 or 70. Do you think it would be to the interest of Johannesburg and the inhabitants that the remainder should be abolished?—I think the 60 or 70 embrace wholesale as well as retail licences, and in that case there would be too few, because there must be enough not to give the wholesale houses a monopoly, and the hotels should have a larger proportion in Johannesburg than in smaller towns.

Do you consider wholesale liquor licences as commercial licences?—Yes.

Mr. *Joubert.*

You have a book here showing the position of 27 companies?—Yes.

There are 200 mines, and only reference is made to 27.—Yes. I have only referred to the Robinson and Ferreira, that is why I brought the book.

Nothing about all the other mines not referred to in the report?—No, but if anything more is wanted it can easily be supplied.

Action of Government to relieve Native Labour Difficulties.

In response to the complaint about high wages, have the Government taken no steps to give relief?—The Government have expressed their willingness to do so.

The Commissioner of Natives was here to inquire into the matter some time ago?—Yes, I was out of town at the time.

It was done after consulting the Chamber of Mines?—Yes.

The kaffirs are prepared to accept a reduction of wages as proposed?—Yes. The pay was reduced and the kaffirs agreed to it; but we want a further reduction. Reduction of Native Wages

You must admit that the Government have assisted as far as possible in the matter?—Yes, in that matter.

Mr. *Hugo.*

Regarding this question of cost in wages and materials, has not the falling in the grade of the ore something to do with it?—That depends upon the way the ore is taken out in many cases. There is no uniformity. In some mines you have what is called a south reef, which is sometimes rich, and then you might have a reef to the north of that, which would be poorer. There may be more south reef crushed one time than north, and of course that would affect the question.

You have handed in a report, and we must go by it?—I came here unprepared, and put my hand on that document as one that could be relied on at once. We can prepare whatever is required. That report merely gives some of the ideas.

Mr. GEO. ALBU, Chairman Association of Mines, was put into the witness chair. He stated he was a Director of several companies, and held a very large interest in the mining industry. Mr. Albu's Evidence.

Mr. *de Beer.*

The object of the Commission was fully explained by the Chairman yesterday. Are you prepared to give your evidence *seriatim*?—Yes.

Just as you like, as Mr. Hay did yesterday?—Yes; I should like to make a statement first.

Chairman.

I would like any declaration of that kind to be made in writing and handed in. It would contain more information than a verbal statement.

Mr. Albu then made the following statement.] Mr. Chairman and Gentlemen,—Before submitting to your questions, I think it would be right to say a few words about the work which is before us. I can assure you, I and my people in Europe have hailed with great satisfaction the appointment of this Commission to go into the malady, as it were, of the mining industry. The position which you are called upon to perform is that of the operating surgeon, together with the members of the mining industry, who will act in a like capacity. The mining industry is at present ailing, and that the Government is cognisant of the fact is proved by the appointment of this Enquiry. I can assure you it is my earnest desire, unbiassed by any party feeling, to give you such information as will give you a free and open bird's eye view of the position of the mining industry at the present moment. It is my desire to see the strength of the State and the strength of the mining industry renovated, as it were. I can only compare these two, the State and the mining industry, as twins—twins not in the ordinary sense, but which, by some freak of nature, have grown together at one point. The welfare of one must of necessity affect the welfare of the other. The mining industry, I may say in answer to Mr. Joubert, is a child healthily born, but is beginning to ail for want of proper nourishment—then the welfare of the State must suffer as well. Now, going boldly into the question generally—it is no earthly use picking out one or two mines of exceptional wealth—these are not the pillars of the State. The State is supported by the whole of the mining industry—the mining industry from east to west, for a distance of about 40 miles. It was simply a fallacy to pick out just one, two, or half-a-dozen mines which are rich. In illustration of this, Commission approved in Europe. Mining Industry to be dealt with as a whole

if the conditions are not changed, and changed soon, the pillars of the State must fall, and the whole burden will be put down upon the shoulders of these few rich mines, and which you will agree with me are not strong enough to carry the burden of the State, and they must in consequence fall too. It is, therefore, advisable in dealing with the question, as I said before, not to pick out a few mines. You must not forget that it has been the most fortunate day for the Transvaal that such mines as the Robinson, Ferreira, and Wemmer were the first mines to be discovered. If one of the poorer mines had been the first to be discovered, you could never have induced the capitalists at Home in Europe to invest any money here; therefore it was a fortunate thing that the gold was found in these rich mines first. So far then, these rich mines had served their purpose in having drawn the attention of the European capitalists to the Transvaal, and in enabling us to try the poor mines and open them up. You must understand further that an industry like the one in the Transvaal has never existed before in the world. I do not say that in order that you should have an exalted idea of the industry, but I would simply point out to you the importance of this industry to the Republic. Now, you must further understand that we have been novices in working this industry. We could only gain our experience, if I may say so, by the capital which we have put into the mines. We have found out where we have made mistakes and where we have been successful. To earn experience costs a lot of money, and it is still costing us a lot of money. We have not attained perfection in the working of our mines yet. I know that the European capitalist is perfectly willing to support us financially to earn this experience, provided that the Government will treat this industry in a fair and equitable manner. You have no idea the impression which the appointment of this Commission has made at Home. I sincerely regret that we have not come together—the mining industry and the Government—years ago. If we had, many sad hours might have been saved to both parties. Now, as I said before in the beginning of my explanation, two surgeons are necessary to operate upon this healthily-born child. The Government is one physician and the leaders of the mining industry the other. I know the seat of the disease, and you have to operate upon this child immediately. I would point out to my colleague, the other surgeon, the Government, the two questions which affect the ultimate success of the mining industry are the Railway question and the Dynamite question. Now, I assure you I do not point out these things in order to blow into the same horn as everybody, but that is the seat of the disease which can be treated by the Government. To start with the railway tariffs. In European countries the Government who owns the railway does everything in its power to bring the goods which are necessary for a certain industry at as cheap a rate as possible. I will give you a small instance which came under my notice only the other day. English firms used to send coal in great quantities to the northern part of Germany. The nearest coal mine in Germany was about 340 miles away. In order to compete with the English coal, the Government immediately reduced the freight on coal to a quarter of a penny per ton per mile—in fact, the railway is regarded in Europe as the means of bringing all that is necessary to foster a factory or industry, and to bring the necessary machinery and necessary material to the site of that industry at as low a cost as possible. What have you got here, gentlemen? Our coal transport costs us from the coal mines to the gold mines about 6s. per ton, or an average of about 2½d., and including the charges made for trucks, 3d. per ton per mile. I say the railway should, if it is absolutely necessary to foster the mining industry here, bring that coal to the mine at cost price even, for they will be amply compensated by the flourishing state of the industry, and their profits will be derived from other sources. I will give you a few instances. First, that of galvanised corrugated iron from England. The shipment from there costs,

Advantages of rich Mines to whole Mining Industry.

Importance of Mining Industry to the Republic.

Support of European capitalists.

Railway tariff.

approximately, free on board, £900. The approximate freight—the ship freight—to Delagoa Bay is £150. Now we come to the railway carriage from Delagoa Bay to Johannesburg, which is £580. From Durban and East London it is £660, and from Port Elizabeth to Johannesburg £700; so that the shipping charges from England are increased by 100 per cent. Then, as to pitch pine. 825 tons of this material cost in America £1,100; freight to Delagoa Bay £1,300. It is expensive on account of these 825 tons almost filling the ship. From Delagoa Bay to Johannesburg the charge is £3,093, so that the railway fare from Delagoa Bay to Johannesburg is three times the amount of the original cost of the stuff in America. From Durban to Johannesburg it costs £3,650, and that means that the wood, which cost in America £1,100, costs, if you ship it by Durban, about £6,000. A cask of cement, which weighs 400lbs., costs 5s. 6d., freight to Durban 4s. 4d., Durban to Johannesburg £1 7s., and duty 12s. 3d. The duty alone on that commodity, which we require for building here, is 250 per cent. on the original cost. Pipes, that is iron pipes, cost in Europe £10 per ton. The freight is £2 10s., and from Port Elizabeth to Johannesburg £8. One more item is that of deals, which generally come from Sweden. A cargo of 3in. x 9in. deals costs free on board £1,000. The freight to Delagoa Bay, Durban, and Port Elizabeth is £500; and railway carriage to Johannesburg is £1,600. From Delagoa Bay and Durban is £1,900, and from Port Elizabeth to Johannesburg £2,000. I am giving you details concerning these materials simply because they require those heavy materials to build over batteries and timber over shafts. If we could do these things with cheese, I might give you the price of cheese, but it is heavy material which is necessary. In those tremendous charges of the Netherlands Railway you give the Colony and Natal a very good handle to turn the same organ. It had been repeatedly said that the whole of South Africa considered the Transvaal an orange, and everybody sucks it, and they will suck until the juice has been sucked out of it and there will be nothing left. You cannot blame the other States for saying: Why should we reduce our railway rates if you don't do it? In fact, the colonies go further. Not only are they not satisfied with charging us heavy railway rates, they charge us transit dues as well. This is not done anywhere, so far as my knowledge goes, in the world. They excuse themselves by saying that they are building large docks, etc., but they forget that they are charging very handsome dock dues, and the very fact of them charging us transit dues is a piratical act committed on the State. But you cannot blame them. It is for the Government to see that these railway rates are reduced, and then we have a just case for the colonies to do likewise. Is it not sufficient and conclusive proof to you, gentlemen, that the Cape Government Railway made last year 9 per cent. profit—divisible profit—and all from this northern line, for I happen to know myself that the other lines did not pay. Is it an argument to say that because the Robinson and the Ferreira companies are paying large dividends why should we expect the railway companies to reduce their profits? You must always consider, gentlemen, it is not the railways which make the gold mines, it is the gold mines which make the railways. If we had no gold mines here we would have no railways, and, all over the world, if the Government derives from its railways 3½ or 4 per cent. then they are perfectly satisfied. The Government's duty is to foster the industry which is the staple industry of the country, and if that industry flourishes, then the welfare of the State is assured. Now, gentlemen, another important item. I don't want to go into details as to what profits the concessionaire is making; I only wish to point out, gentlemen, that an article which costs to manufacture at Home 18s. 6d. per case should be paid for by us 85s. And it is not an article which is used in small quantities. The Transvaal is about the largest consumer in the world of this article, and must not we look idiotically foolish—that we, as the largest consumer, pay

Rates of Cape and Natal Railways.

Distinction between Mining and Railway Companies.

Cost of Dynamite.

(for an article that costs 18s. 6d.) 85s., and when the Government only makes 5s. per case over that. I don't think you can find its equal anywhere in the world, and I think the Government will see the fallacy of upholding a concession which is not carrying out in the first instance its object, and which has so far shown an utter apathy to trying to meet the mining industry here. Years ago, when the railway was built, you fixed a certain rate of tariff for the work which had to be done then by the railways. The same with the dynamite. You fixed the rate years ago when the consumption was about 40,000 cases. It had run to the respectable quantity of 108,000 cases last year. I can assure you if the industry is supported by the Government as it ought to be, then the consumption of dynamite will soon increase within a short time to 300,000 cases. This fact alone should have dictated to the dynamite monopolists quite a different policy to the one which they have carried on so far. The same argument applies to the railway people. To illustrate the case to you. If I go to my municipality and ask them to allow me to build a tramline, the price they will allow me to charge for each person will be high if the traffic is but a limited one. If the Government does its best, and we do our best, the work can be accomplished. Opinions on this matter, of course, differ, say 10s. per ton, some 6s. per ton, and others 5s. per ton. In this way we will be enabled to work the mines, which, at the present moment, work without any profit, profitably. We do not complain of the fact, gentlemen, that there are a good many mines in the Transvaal that won't pay if they got dynamite and native labour for nothing. But these mines we can well leave out entirely in our calculations. They were concerned mostly with the mines between the eastern and western portions of the Witwatersrand, and if these can work at a reduction of 5s. only per ton, then you will see that prosperity will return to Johannesburg. I don't know whether you are aware that we are at present in a condition of great depression, and there is no improvement in the state of affairs, as the European capitalists are tired of putting in more money in a place which has to pay enormous prices for its principal commodity, dynamite, and where such extraordinary tariffs exist as those shown by our railway tariff. As a friend of the Government I can only point out to you, gentlemen, that if this depression lasts you will soon feel the effects in your own Budget. It is, therefore, necessary for our benefit as well as for the sake of the welfare of the State, that we should work hand in hand together to foster this industry, and to bring it to its height. There are a few minor questions, gentlemen. For instance, take the Liquor Law, which was a very good one, but the administration of the law was very lax. What does it matter to a man when he has paid his £50 fine. You have the best proof of this in a case in the Meyer & Charlton in Jeppestown. There is a canteen there that has been trapped no less than three times last year, and has received its licence, only in a different name this time.

Consumption of Dynamite.

Effects of economic relief.

Probable effect of depression.

Liquor Law and its administration.

Chairman.

Its name?—The name was Judellsen, and the place used to be called the Park Bar. The drink, gentlemen, is the curse of the place, and unless the law is strengthened so that there is more severe punishment than a fine of £50, the traffic will continue rampant as it is at the present moment, and will only increase. Another question which affects us, and cuts very, very deep into the mining industry, is gold thefts. What we want, therefore, is an honest Detective Department, without which you will never be able to detect the criminals. The other questions we have to deal with are native labour, white labour, and the general management of our affairs, and I can assure you that the leaders of the industry are working to see whether we can improve matters. It is no use, gentlemen, saying, "Are there not mines which have been over-capitalised?" There may be mines over-capitalised, and I not ashamed to

Over-capitalisation.

say that there are mines which are over-capitalised, and there are also mines in existence which have no gold, although the property was reported to be very rich at the time of the flotation. We would have been a very extraordinary community if there had not been some of us who had taken advantage of the people who were ready to put in money from Home. This sort of thing you find when there is a boom. You have had this in America and Europe. It is always in such times, flourishing times, that flotations are made, the basis of which is not very sound, but that has nothing to do with our mining industry whether there are mines over-capitalised. The question is "can you work a mine with a profit?" Never mind what its capital is. By way of instance, I may mention to you that I myself floated a company a few years ago, the property of which consisted of 250 claims, for a sum of £10,000 cash working capital, and the total capital of the company was only £10,000. Although they had £10,000 cash and 250 claims, I lost all the same, for the rich reef I thought I had, had given out, therefore whether it had been a million or £10,000 capital I would have lost everything. Mr. Chairman and gentlemen, I thank you for the patient hearing you have given me, and I can assure you from the bottom of my heart it is only my desire to see this State flourish, together with the mining industry.

I would like to have reliable statistics of the freight of coal, etc., in the Transvaal and Colony.—I will work out whatever statistics are required, and hand the same in to the Secretary.

Mr. *Joubert.*

I would like to hear the resolution passed by us in our meeting at Pretoria, as to in what order we are going to work, so that I cannot again be said to be out of order like yesterday.

Mode of procedure of Commission.

Mr. *de Beer.*

You gave us a very full explanation, Mr. Albu, as to what you expect from the one side, the Government; but I would like to know what is going to be done from the other side, the industry.

Mr. *Joubert.*

Before we go any further I want to hear that resolution of ours, else, I won't ask another question. I do not want to be insulted again.

Chairman.

Any member can ask any question, but I think I, as Chairman, can correct anybody if out of order.

Mr. *Joubert.*

I appeal to the internal regulations of the Commission.

In order to give Mr. Joubert an insight into the regulations as desired, the Chairman adjourned the sitting for a quarter of an hour, and the public, as well as the press, were asked to leave the room.

Mr. *de Beer.*

On resuming the sitting, Mr. de Beer repeated his question to Mr. Albu, and asked his opinion about the reduction of native wages.

Witness.] The reduction of native labour is necessary for two reasons, the one is to reduce our whole expenditure, and the second has a very far-reaching effect upon the conditions which may prevail with regard to native labour in the future. The

native at the present moment receives a wage which is far in excess of the exigencies of his existence. The native earns between 50s. and 60s. per month, and then he pays nothing for food or lodging, in fact he can save almost the whole amount he receives. At the present rate of wages the native will be enabled to save a lot of money in a couple of years. If the native can save £20 a year, it is almost sufficient for him to go home and live on the fat of his land. In five or six years' time the native population will have saved enough money to make it unnecessary for them to work any more. The consequences of this will be most disastrous for the industry and the State. This question applies to any class of labour, and in any country, whether it be in Africa, Europe, or America. I think if the native gets sufficient pay to save £5 a year, that sum is quite enough for his requirements, and will prevent natives from becoming rich in a short space of time.

You say the native does not require luxuries, and if he has worked for a year he has saved enough to go back to his kraal and remain idle?—Yes.

Can you suggest any remedy for this?—The only remedy I can suggest is that we pay the natives a wage which, whilst enabling him to save money, will hinder him becoming exceptionally rich.

Why were not the wages reduced before?—For years and years we were labouring under a scarcity of native labour, which to a great extent is now abated. At the present moment we have sufficient labour. Secondly, we have come to the conclusion that it is absolutely impossible to pay these high wages. We have either to reduce our expenses, or we have to shut down the greater number of our mines.

Reduction of cost of Native Labour.

Supply of Native Labour.

Remuneration demanded by Native Commissioners.

Is it in the control of the mining industry to regulate the wages of kafirs?—To a great extent it is, provided that the Government assists us in bringing labour to this market. The difficulties which the mining industry has to contend with in this respect are numerous. Native Commissioners up North want to receive a certain amount of compensation for every native which they send down. I do not know whether the Government is cognisant of this, but it is always a question of 10s. or £1 per head which the mining industry has to pay to someone to collect natives and forward them here.

What amount is generally charged?—It varies. It depends upon the demand. If there is a great need of natives, the amount is a large one. Another difficulty is occasioned by the Railway Department exacting a large amount per head to bring the native to his destination. They ought to carry everything that is necessary for the mining industry at as low a rate as possible.

Railway charges for transport of Natives.

That is a question of opinion.—The native, as a rule, who wants to come down to work, has no money, and the mining industry has to advance his fare; and, when the native comes here, we have so little control over him that he can easily desert. It has occurred to companies who have brought down 500 natives at a cost of £1,250, that 300 have deserted after a week. The suggestion which one could make to the Railway Department is that they should bring down natives at a nominal rate, and charge him the full rate when he returns to his country; and that the Government should see that its servants in the native districts are sufficiently honest.

Is there no competition in the wages paid to the natives amongst the companies, or have they agreed on a certain scale?—They agreed about eight months ago to reduce the native pay, but we find that even that amount is far in excess of the value of the work which they render to their respective companies. As I said before, we cannot make both ends meet, and, sooner than pay thousands of pounds in wages, and be unable to make a return to our shareholders, we will close down the mines.

Is there competition amongst the mines with regard to the wages?—I don't think so at the present moment.

You said nothing about white labour; is it a fact there are thousands of white miners out of employment at the present moment?—I think there are a good many workmen out of employment.

Are you of the opinion that the wages paid to miners at the present moment are abnormal?—In some instances they are abnormal.

Is there any chance of getting these abnormal wages reduced now that there are so many out of work? Certainly there is; I think the white labourers are prepared to accept the lesser of two evils. If we close down the mines a lot of white labourers will be thrown out of employment. Reduction of white wages.

What is the wage of the ordinary white man? —From £18 to £22 per month.

If I can show from statistics that white labour costs £40 per head per month, would I be right?—That includes managers' and secretaries' salaries, and so forth.

We must get the average cost of white labour in that way?—There are men who are paid £40 and £35 per month who do not deserve more than £25 and £30. I do not propose to attack the miner who receives £18; he does not receive very much in excess of what he ought. Wages of Miner

What is the average wage of white miners in Europe?—I think about £4 per month.

How can you account for the difference in wage of £14?—It is much more expensive living in this country. A man pays for his board alone £5 and £6 per month, and, if he be a married man, his rent is a very heavy item.

Does not the company in most instances supply quarters?—Yes, in some instances; but where there is an excess of married men they could not supply accommodation. Another thing why a man wishes to earn more than in his own country; he comes 7,000 miles from home, and he has got to pay for that, and he thinks of paying a visit to his home.

What is the reason of some miners receiving £18 and others receiving abnormal wages?—Well, there are workmen and workmen, you must remember as well as managers and managers. One man may be cheap at £200, and another may be cheap at £1,500. It always depends on the mental work, as well as the physical work. We can reduce white wages if the railway tariffs are reduced, as the necessities of life would be made cheaper in this place.

Is £1,500 the maximum wage paid to mine managers and consulting engineers?—There are bigger salaries paid. Salaries of Mi Officials.

Can you give us the maximum figure?—Well, I should say the highest salary paid to managers is about £3,000. Only a few receive that amount, and they are good men, or, at least, they are supposed to be.

And the engineers?—Well, those men who receive £3,000 are supposed to be engineers.

Do you know of any higher salaries paid than £3,000?—Higher salaries were paid, but I don't know whether they are still paid. There may be such as to the men in high positions, such as the consulting engineers of financial corporations.

Are these wages included as wages paid to white labour?—No, they don't rank in any statistics.

Do they appear in the cost of white labour in the mining companies' expenses?—Oh! yes.

What do these financial corporations want with a consulting engineer?—They require a consulting engineer to examine the mines, and, unfortunately in some cases, on their reports most of the financial corporations put their money into the mines.

Do these financial corporations charge for the services of their engineers?—No, the engineer is for their own purposes.

Is not the ground sufficiently developed yet for local men to report on?—There are local men certainly, but these financial corporations are mostly floated in Europe, and the directors choose men of whose ability they have knowledge, and they send them to South Africa. I may say I have engaged a consulting engineer in this place

Purchase of machinery.

Who has charge of the purchase of machinery on the mine?—The Board, under the advice of the consulting engineer. In companies honestly managed, tenders are asked for for the machinery which is necessary.

And in other companies again it is simply done on the recommendation of the directors?—The directors will never undertake to order machinery unless they have the advice of their engineer. The boards in most cases consist of laymen.

Charges of Foreign Railways.

You have been talking about the railways in other countries being only in existence to foster the industries. Do you include England and Holland in these countries?—Yes.

Can you quote any railway in England or Holland that does it?—I have never lived a sufficient time in England, and have never lived in Holland, but I know an instance in Germany. Yes, I do know an instance in England that only came to my knowledge yesterday. There is a railway in the south of Wales of the length of 25 miles. This railway has been built for the purpose of bringing coal from a certain coal district to supply the docks. This railway, although of a length of 25 miles, has, with its various tracks and link lines, a total mileage of 120 miles. The capital of this railway is eight and-a-half millions. They charge only 1s. 3d. per ton for 25 miles, and, if the wagon is not supplied by the coal mine, 6d. per ton for the 25 miles. The total cost is therefore ·84d. per ton per mile, and it would be less if it were reasonable to expect that those who pay the money into this railway concern should receive less than a dividend of, for 1894, 3¼, and for 1895, 3⅛ per cent. I have pointed out in my address to you that the German Government, in order that their coal mines should compete with foreign mines, have reduced the coal tariff to a quarter of a penny per ton per mile.

Cape Colony and Natal Railway tariffs.

Speaking about the height of the tariff here and in Cape Colony and Natal, supposing the tariffs here were lowered, what about the tariffs of Cape Colony and Natal?—I always took it that Natal co-operates, or is influenced to a great extent by the tariff which is charged by the Netherlands Railway, and if the Netherlands railway were to reduce its tariff, Natal would follow suit, and Cape Colony would be forced, in order to retain some trade, to also reduce the rates. The Netherlands Railway has got a good lever in the Delagoa Bay line.

Delagoa Bay route.

Do you think the mining industry would support the Delagoa Bay line supposing the neighbouring Colonies would not support a reduced tariff?—Yes, provided Delagoa Bay would give it facilities for landing goods, and forwarding goods the same as those given by Natal and the Cape Colony. But the arrangements at the present moment in Delagoa Bay are frightfully bad. The administration is very unreliable there, and we are therefore compelled to get our materials through other ports, and we prefer paying a little more than having the uncertainty which prevails through the administration of Delagoa Bay.

If there were good administration in Delagoa Bay you would prefer that route with a reduced tariff?—Being the shortest route, certainly.

Number of Mines on Witwatersrand.

Can you give the Commissioners the exact number of mines in existence?—No, that I cannot.

How many companies are there, can you say?—That I really don't know by heart. There are, I should say, about 170 on the Witwatersrand.

Can you give us the number of mines which pay dividends and mines which do not pay dividends?—Approximately I can. I think there are about 25 companies that pay dividends, and the rest consist of mines that just cover their working expenses; mines that are working at a loss; and mines which are in the course of development. Dividend and non-dividend paying Mines

Are all those mines *bona fide* mining concerns?—On the Witwatersrand, yes.

And also on other reefs, such as the Black Reef?—Yes. Of these 150 companies which are not paying dividends there are about 25 floated in London during the boom, and the reefs of which exist in the imagination of the floaters, or the promoters. Bogus Companies.

Do you know how many Main Reef companies there are—outcrop and deep-levels?—There are about 120 companies in all, I think, on the Main Reef. Main Reef Mines

Your opinion is that all the companies on the Main Reef are *bona fide*?—Yes.

There are a number of companies which are not payable?—Yes.

Generally known as wild cats?—Yes.

You just now observed that the capital of the company in no way affected the cost of working the company?—Is it not a fact that too much money has gone into the pockets of the vendors and promoters?—That may have been the case years ago.

What does reconstruction imply?—Reconstruction means that if a company after having opened up work for some time has found out its machinery is obsolete, they have to raise fresh capital in order to get machinery of later pattern. Reasons for reconstructions

Is that the only reason?—No, there are other reasons. Five or six years ago, as stated in my address to you, being novices at gold mining, in floating the company they provided it with too small working capital, and not being able to judge the requirements of such a company in the shape of machinery, the consequence was they wanted more capital to complete the installations.

Was it never a reason for reconstruction that there was too little working capital?—Yes, but there are other reasons. Granted that the working capital was sufficient to develop the mine to a certain depth and to put up machinery and installation, the company may find on going down to that depth that the reef breaks off and forms to the north or south, and so all calculations as to the number of tons required to be moved in the developing work prove a failure. That is, in consequence of these breaks and forms in the reefs, they require more working in order to go down to greater depth and to take up the reef.

Are there no other reasons?—Of these reasons one or the other, although other reasons may have been faulty management. Also to acquire additional ground. It sometimes occurred that in days gone by, when the laws in this place were not so good for the mining community, the ground and titles were at fault through no fault of the promoters, and the ground was jumped and had to be bought back.

The cost of labour will be greatly increased when the deep levels are at work?—Do you mean the opening of the deep levels? Cost of Deep Levels.

The cost of native labour and general expenses?—The general expenditure, yes, to some extent, certainly.

Could you give a percentage?—No, but I may say that it will be counterbalanced by the using of the latest machinery. Engineers are at work to improve upon the methods adopted of extracting gold with regard to the expenditure, as well as to the actual extraction, and they will counterbalance to a great extent the greater cost of deep level mining.

Will you explain to the Commission whether deep levels stand on their own ground, or whether they are only subsidiary to the outcrop companies.—They are not connected, and work quite independently. Deep Levels.

They are floated in different companies?—Yes.

Did I understand you aright when you said that there were two levels to be struck ?—No, I only said there was one.

You said that there were capitalists in Europe, and these found that in every community there were people who were desirous of "squeezing the lemon" ?—Yes; I made that comparison about squeezing the lemon, and compared this industry to the lemon, and the high rates and charges over the whole of South Africa—transit duties, dynamite profits—to the squeezing. So long as the industry, which I compared to the lemon, has anything in it, it will be squeezed till it is perfectly dry and useless.

Working of Liquor Law.

In the beginning the Liquor Law worked satisfactorily as regards the mines ?—In some districts yes, where the supervision was good. In the Krugersdorp district it never worked well.

Liquor licenses.

Do you think that in a community like this 60 licences is enough for the whole of Johannesburg ?—The town is a very thirsty place.

Leaving alone that question, take a normal view of the matter. Don't you think that 60 would be too few ?—I cannot give you an opinion on that.

What is your opinion about wholesale licences; are they commercial licences or liquor licences ?—They are commercial licences.

It is not the case that the Park Bar at the Meyer and Charlton has its licence. The licence has been provisionally transferred by the Chairman. I wish to state that for your information.—How I came to the conclusion was, that when I went down yesterday to the mine I saw the bar opened in another name.

Mr. *Joubert.*

Is it not a fact that the confidence of capitalists in Europe has been shaken ?—Yes.

Effects of redress of grievances.

If the Government give a reduction in the railway tariffs; if the Government tries to do its utmost to get labour wages reduced, and make an arrangement about dynamite, will that confidence be restored, in your opinion ?—Decidedly.

Will the capitalist again invest his money ?—Yes.

Without getting a clear statement as to whether their capital here is invested in payable mines ?—Yes.

Will do it blindly ?—The capitalists in Europe have representatives here; I, myself, represent a financial group in Europe, and they have asked me whether it was not the time now to invest money ?

And the confidence in Europe will be restored without proper proof being produced that companies are floated on an honest basis ?—Well, the flotations which have not been done on an honest basis are finished with. They cannot get that money back.

Still it has shaken the confidence of capitalists ?—Well, it may have contributed to the reasons.

Why has nothing been said about that ?—I am always speaking about it.

But there never has been any complaint to the Government ?—Certainly you cannot expect a woman who sells fish to tell her customers it is stinking fish.

But the unexpected happens occasionally ?—Yes, somebody finds it out.

Don't you think it would be desirable for the Commission to point out to the investing public what has been done with the money in the past which has been lost ?—They know themselves how it has been lost.

They don't know generally ?—By Jove! I think they do.

Mr. *Smit.*

Of which Companies are you a director or manager ?—I am managing director of

the Meyer and Charlton, Roodepoort United Main Reef, George Goch Amalgamated, and Aurora West, besides director of the Coal Trust, Steyn Estate, Midas East Estate. I don't think any more.

What dividends have these Companies paid, more or less?—Only three of these Companies have paid dividends, namely, the Meyer and Charlton, Roodepoort United Main Reef, and the Coal Trust.

Dividends o Meyer & Charlton, Roodepoor United Main Reef, George Goch Amalgamated, Aurora West, Coal Trust, Steyn Estate, and Midas East Estate.

Of what amount during the last year?—The Meyer and Charlton paid 20 per cent. during 1896, Roodepoort United 35 per cent., I believe, and the Coal Trust 5 per cent. in 1896.

Do you know anything about gold mining in other countries?—No.

Do you know anything about taxation levied by the Civil Government on gold mines in other countries?—No.

So you cannot say whether the taxation comes heavy or light?—No.

Are any taxes imposed by the Government direct which form the subject of objection or grievances here?—With the exception of a few where special taxation takes place, I don't think we can complain very much.

Taxation.

I do not allude to import duty, but to personal taxes and taxes levied by the State.—I don't think we have anything to complain of.

Personal Taxes.

In respect to claim licences or prospecting licences. Are these considered excessive?—No, I don't think so.

Claim and prospecting licences.

Don't you think prospecting licences might be reduced?—Well (after consideration), the present charge for prospecting licences is 5s., isn't it? No, I don't think they need be reduced.

You think that charge is reasonable?—I think it is sufficient, but I don't think it is too much, especially in bad times such as we have at present.

You stated this morning that the charge for railage of coal is too heavy, and that if the Railway Company were to carry coal at a cost just enough to cover expenditure they would reap benefit from other sources. What sources do you refer to?—First of all, the very fact of not only the coal tariff but others being reduced would make mining in itself cheaper. This would prevent, in the first instance, mines which are still at work having to close down, and mines which are not working at the present moment on account of the heavy burdens, will be able to start work. These mines, which will re-start working, will require new machinery, and this would swell the revenue, of course, of the railway. In fact, if we get these reforms which we are asking, it would impart a new impetus to the mining industry. Fresh capital would be brought into the country again, and it is a well-known fact that workmen and men of science follow in the train of capital.

Advantages to Mines of tariff reductions.

That would affect more the outside railways than the railways within the State, because they have a bigger mileage outside than inside the State?—So long as this railway makes a good profit, you cannot be jealous of the profit which the other railways make from legitimate traffic.

You see it would help to reduce the freight from here to Vereeniging to a minimum, whereas the greater portion is paid from Vereeniging to East London.—Yes, but they would also reduce. You see, although the line of the Netherlands Railway is but a short distance, I may point out that the dividend paid for 1895 came to 36½ per cent. on the capital of the Netherlands Railways. That was in 1895, and if I take the figures of receipts as a guide for the profits which the Netherlands will make for 1896, the dividend of the Netherlands Railway will amount to 100 per cent.; of course, including the share of the profit which the Government gets.

Freights from Vereeniging to Johannesburg, and Vereeniging to East London.

Netherlands Railway Dividends

The report of the Netherlands Company, which I have got before me, for 1895, shows a dividend of 8·4.—Yes, I have got down approximately 9 per cent.

In the 8·4 is included the amount paid to the Government.—No. After you paid the amount to the Government, 8·4 is left to the shareholders. You paid to the Government in 1895 £322,327 13s. 4d. This item alone comes to 27½ per cent. on the capital of the Netherlands Railway. The capital of the Netherlands is £1,166,666 13s. 4d. The shareholders received a dividend then of 9 per cent., or 8·4. The clear profit for 1896 on the Netherlands Railway will be at least a million. Now, I will point out to you the Netherlands Company has invested a share capital (apart from debenture issue, of course) of £1,166,666—a little over a million. They have earned a million net profit last year. That is what it will come to. The mining industry has invested anything between 75 and 125 millions. This varies according to the value of the shares. And they have paid out last year a little over a million and a half. So this illustration will go a long way to prove to you that we not only pay too much to the railway companies, but that the request of the industry that the Netherlands Company should reduce its rates is but reasonable and justified. I still maintain that it is the duty of a railway company to bring the materials which are necessary for opening up and working an industry at as low a price as possible. And in some countries they even go so far as to bring this material at a loss to the seat of the industry. In the long run they make a profit.

Percentage of Dividend on Capital of Netherlands Railway.

Net Profit of Netherlands Railway.

Capital of Netherlands Railway.

Comparative Dividends of Mines and of Netherlands Railway.

Dividends of Foreign Railways.

Are these Companies belonging to the State or private Companies?—On the State railways on the Continent there is an enormous traffic, but it does not return the Government more than 3 to 3½ per cent. On the private railways in England I think the shareholders are highly pleased if they make 4½ per cent. Now, go to the railways in America. Still, there is not a single one that has paid a dividend yet.

Those Companies which carry necessities for the mines at a loss, are they companies belonging to the State or private Companies?—On the Continent they belong to the State.

So the State is there to help the industry?—Certainly.

Private Railway Companies.

Are there any private Companies which carry goods at a loss in order to foster the industry?—Well, I suppose there must be, because in England, where the railways belong to private Companies, if the earning power is only 3 to 4 per cent., I think they must to some extent carry goods at a loss.

A private Company which owns a railway is on an equal footing with a private Company which runs a mine?—Yes.

And why should then a railway company carry goods of an opposition company at a loss?—In the first instance we do not ask the Netherlands Company to reduce its rates. We ask the Government to do that, one way or the other, for the simple reason that if nothing is done in that respect the Netherlands Company will be a much heavier loser, and the State with it.

What would be the object of a company in England carrying goods for other industries—for private companies—at a loss?—If the industry prospers under certain conditions, these conditions must be considered by the railway, and they get a profit out of other traffic created in consequence of the industry.

In short, they lose in one way and gain in another?—Quite so. I don't say the Netherlands Company need carry anything at a loss, the margin is so enormously great.

Reduced coal freights on Foreign Railways.

Can you quote any industry which is supported by the railway at Home by carrying goods at loss in order to foster the industry?—The railway in Silesia carries coal at a loss.

Where do they carry it to ?—They carry it right through the country. It is the nearest coal mine to the northern part of Germany, and the railway carries the coal for a quarter of a penny per ton per mile. If the Government had not done that, these coal mines would have been compelled to close down, and the population would very likely leave the country.

Advantages of low freights to Railways.

What benefit does the railway derive in other directions ?—Well, the population is increased in that part of the country, not alone by the various marriages which take place there, and they require food stuffs. You know that sort of thing is like a chain, one link fitting into another.

Do you mean to say people get married because there is a cheap coal tariff ?—That is it.

Dynamite Concessions. Former prices of Dynamite.

Can you explain why it is that dynamite formerly, before the concession existed, was not cheaper than it was ?—First of all we had no railway communication with the Transvaal, and it was sent by ox-wagon; secondly, the consumption was very small, and we were not sufficiently large consumers to dictate to the powerful trust company. To-day we are large consumers; we have railway communication, and all facility for bringing the dynamite to the mines. I think therefore we ought to get dynamite at a price which would allow the dynamite factory a reasonable profit. If this monopoly were not in existence we could get other people to supply us at a price very much less than Nobels are supplying it to-day.

Permits to import Dynamite

There was a time when the dynamite factory could not supply the wants of the mining industry, and the Government gave permits to importers. What was the price of dynamite then, was it high or low ?—I don't think it was much less than what it is to-day. These permits, strange to say, found their way into the pockets of merchants, so that if a company required 50 cases per month and could not import the stuff themselves they had to go to the merchants, who formed a little ring themselves.

If the permits got into the merchants' hands the representatives of the mining industry had only themselves to blame.—I believe others were in the same position as I was. I was quite new here and did not know the circumstances. My time was sufficiently taken up in looking after the mines I became connected with, so I had not time to look after the dynamite question. The De Beers Company, for instance, pay 57s. 6d. or 60s. for dynamite, and 12s. 6d. of that goes to the Cape Government, and we pay 80s. in the Transvaal. The De Beers Company consume about 80,000 cases in the year. I am buying dynamite myself for a company I am connected with in the Kimberley district for 55s.

Price of Dynamite at De Beers.

Now ?—Yes. If De Beers required a larger consumption they could get it very much cheaper.

Advantages of competition in trade.

Now, formerly, I understand, that the sellers tried to get as much as possible out of the sale of dynamite, and now the Government contract has been made at a certain figure, they are all prepared to undersell.—Of course, competition is good for trade, and if we close competition there is no business. Suppose, for instance, I came 20 years ago to the Transvaal Government and got a concession from them to work the gold in the Transvaal, and said I would give them £100,000, I think the Government would have done it. I would then have started to work the gold mines, but do you think the place would have been so far ahead now. The Government would have had £100,000, and that is all. The Government's income is now about £5,000,000 a year, simply through competition from the Transvaal Government having thrown open the fields to all, and invited everyone to come and prospect by merely paying their licences. I see Pretoria flourishing, and a place like Johannesburg which has sprung up within ten years, railways and bridges being built, and I can assure

you, sir, that if you only help the industry, this will be one of the most flourishing States in the world.

You said this morning that if the dynamite were cheaper there would be more carriage of it and a greater consumption ?—Yes.

Shutting down of Mines.

As far as you know, are there any mines that cannot be worked because of the price of dynamite ?—There are mines which I know which will have to be shut down if the Government will not grant these reforms, and we do not do something in the matter of labour.

What can the Government do to prevent these mines shutting down ?—The cheapening of dynamite, the reduction of the railway tariff so that we can get coal cheaper to the mine, and machinery and timber. These are the two important questions.

Do you think that will be sufficient assistance to work the mines which would otherwise be forced to lie idle ?—Yes, if we do our portions as well. We have to reduce native labour, and see that the managers exercise that tact and knowledge of the work in order to bring about the reduction of cost in the working. Only then will we be able to work in such a way as to return a profit on the money invested in the mines.

Reduction of cost of native labour.

Do you intend to cheapen kaffir labour ? How do you propose to effect that ?—By simply telling the boys that their wages are reduced. The maximum at present is 2s. 3d. a shift, and we can reduce that to 1s. 6d., that is for skilled labour. For ordinary labour 1s. or less for the shift.

Suppose the kaffirs retire back to their kraals ? Now, in case that happened, and that you were without black labour, would you be in favour of asking the Government to enforce labour ?—Certainly. A kaffir cannot live on nothing.

Forced native labour.

You would make it compulsory ?—Yes, I would make it compulsory, and without using force a tax could be levied. If a white man loiters about without doing anything he is run in. Why should a nigger be allowed to do nothing. If there is a famine in a district the Government has to pay for it, and that falls back again on the industry. Therefore, I think a kaffir should be compelled to work in order to earn his living.

Do you think that you would get the majority of the people on the Rand with you in trying to make the kaffirs work at a certain pay ?—I think so.

Would it not be called slavery ?—Not so long as the men earned a certain amount of money.

If a man can live without work, how can you force him to work ?—Tax him then. If I have £5 per month to spend, I don't want to do any work; but if the Government passes a law that all gentlemen at large whom you may know in South Africa, who often call themselves that, must pay £3 per month tax, there only remains £2, and I am forced to work.

Then you would not allow the kaffir to hold land in the country, but he must work for the white man to enrich him ?—He must do his part of the work of helping his neighbours. How would the Government like us to sit down and say that we have enough money; where would the State drift to ? There is always competition in labour, and when a man once tastes the fruits of his labour he will work.

Capitalisation of Mines.

You said that the capital does not affect the working of the mines ?—That is so. As I pointed out this morning, in my own case, I had a mine with £10,000 working capital, and that represented the whole of the capital of the company.

Suppose the mine had paid something, it would be far easier to return on £10,000 than £100,000 ?—Then the value of the shares would always be in proportion to the profits. It does not matter whether I get £5 for £1 shares, the proportion is

the same, and it makes no difference if the mine has been over-capitalised. Don't you think that with regard to native labour, if natives were allowed locations around Johannesburg it would be a good way of getting Kafirs here? Native locations.

The kraal kafirs won't do this. Only Colonial boys will do it perhaps. If the mines came together to reduce wages to a certain figure, will it not harm the mines to a great extent?—It will do harm to a certain extent, but we will have to get over this in some way or other. If, for instance, we want natives from Delagoa Bay, we have to pay 27s. 6d. to get a boy there. Who receives this money, I don't know, but somebody gets it. Then we have to pay 20s. 6d. for railway expenses, and another 10s. a head for collecting the boys and feeding them. Thus bringing a boy from Komati Poort to here costs about 62s. 6d. Cost of procuring native labour.

Can you give any instance where a Native Commissioner has charged for kafirs sent to the mines?—No, but I am more or less certain that this is done. We pay the agents, and the agents again pay the officials. Exactions by Native Commissioners for supply of natives.

Has it ever been attempted to import poor whites from Europe to labour here, and to pay the expenses?—No, we have at present too many labourers here on account of the many mines that have stopped work.

As you said this morning, you have to pay high wages here because the living is so expensive, but can you then expect the railways which carry coal here to do it at the same rates as in other countries?—No, it must be done at a higher rate here, but good wages have to be paid at Home as well, for if not, we will have more clever managers here. Comparison of white wages and Railway rates.

I know of cases where our Government pays engineers £100 per month, whereas they only received £300 per year in Europe.—This is the case with the majority of us.

Mr. *Brakhan.*

You told us this morning the loss to the mining industry by gold thefts is very considerable. Can you inform us what amount per annum would they come to?—Well I think we can reckon, on what has been divulged lately, 10 per cent. Gold thefts.

What amount would that be?—About 20,000 ozs. per month. Amount of gold thefts.

That would be about three-quarters of a million per year?—Yes.

You consider that an absolute loss which otherwise would be paid in dividends to the shareholders?—Yes.

Can you suggest any ways and means by which gold thefts can be prevented altogether or minimised?—The only way I think would be by an efficient detective department. I don't think any law will ever prevent or minimise the crime. I think if a law were introduced which would deal very severely with the miscreants, and an honest detective department established in which we can have trust and repose confidence, then I think we can minimise the gold thefts. Prevention of gold thefts.

Do I understand that you suggest a separate detective department should be established simply to deal with gold thefts?—Yes, I would suggest that a separate detective department should be established, which would comprise advisory members appointed by the mining industry.

With regard to native labour, do you consider that in the cold weather there would be a sufficiently continuous supply unless locations were formed on the Rand? —My experience is that it was never owing to winter that we had less natives than in the summer. There are always other reasons why the natives went home—ploughing, sowing, or getting married. Supply of native labour.

Do you consider that if there are locations on the Rand you would have an increased supply of skilled labour?—Yes, I think they would stay here. Native locations

I have very often heard that the labour which comes to the Rand is to a great extent very inefficient and very incapable, and the natives have to be taught.—I think if the natives had their locations here, and had their wives and families, they would make this place their home.

I suppose in considering this question of locations you are in favour of compensation being given to the burghers of the State who give ground for the purpose of the locations?—No; I think it a question for the Government to decide.

Salaries of Mine Engineers and Officials.

You also alluded this morning to the excessive salaries paid to experts on the Rand; do you consider—I am speaking only of those who are really capable—that their salaries are very excessive in comparison with the salaries paid in Europe?—That is a very difficult question to answer; brain power is a very expensive commodity, and a rare commodity too. A clever engineer may be satisfied with £2,000 a year, while another is not satisfied with £4,000.

Well then, I should think that these men who are well paid here could also command very good salaries in Europe and other parts of the world?—Yes.

And they could live under more favourable conditions than they are doing here?—Quite so.

You have mentioned that the industry is not heavily burdened by direct taxation, such as claim licences?—That is my opinion.

Taxation of Mynpachts.

We know, under the Gold Law, there is a provision where mynpachts may be taxed to the extent of 2½ per cent. on the gold produced; now, do you consider if the Government compelled the owners of mynpachts to pay this 2½ per cent., the owners of mines are at a disadvantage compared with those companies that merely hold claims?

—Well, I know some mynpachts that would not pay 6d. to the Government if the 2½ per cent. were levied.

I mean in the majority of cases?—You put a very awkward question, which I prefer not to answer.

Diggers' and claim licenses.

Then, with regard to diggers' licences and claim licences, lately diggers' licences have been asked for prospecting claims which are not worked. What is your opinion with regard to that?—My opinion is that the Government should not impose diggers' licences on prospectors' claims.

Profits on Dynamite.

With regard to dynamite, you have told us that the cost to Nobel and other manufacturers is about 18s.?—Yes, about £1; and the blasting gelatine for which we pay £5 7s. 6d., costs about 25s. or 30s. per case. If the Government want exact figures on this matter, they can simply apply to the agent of the Transvaal at home to collect them.

In other words, Nobel is satisfied with a profit of 5s. per case in Europe?—I don't think he is satisfied at all. Nobel takes what he can get.

According to your figures he gets a profit of 48s. per case on the dynamite?—I don't know what profit Nobel gets, but if these figures are correct he must make an enormous profit; and, by reason of having this monopoly in South Africa, he simply controls the whole market at home, because he gets such a tremendous profit here.

Do you consider a market like the Transvaal, which consumes about 180,000 cases of dynamite annually, would be sufficient to break a monopoly?—I think so. The position in the Transvaal is strong enough to break the monopoly of Nobel, and the industry is strong enough to break any monopoly in the world.

Permits to import Dynamite

Then you also mentioned about permits issued some time ago when the factory in this country was not in a position to deliver sufficient dynamite. How do you explain that greater advantage did not accrue to the mining industry. Was it from excess of

duty or any other charge?—I really do not know the circumstances. I was new here. I do not know what duty was charged, but somebody made money out of it.

Mr. *Brochon.*

Mines which could pay Dividends.

You told us that about 25 mines are paying dividends, and you also told us that if certain reforms took place some more mines which do not pay could work at a profit. Can you give us any exact figures about them? Can you tell us how many mines would be able to pay dividends under other circumstances?—I think at least 50 mines. That does not include mines which are at present developing. They will also pay dividends when they are ready.

You think about 50 mines more will be able to pay dividends on the introduction of new reforms?—Almost immediately.

We have about 150 mines here, so that would give 75 mines paying dividends?—There are about 25 mines north of the reef which are failures.

So there would be very few which would not be able to pay?—I maintain that nearly all the mines on the Main Reef, if we get these reforms which we are now praying for, should, if the Directors see that they are worked honestly, make profits.

Remedies for administration of Pass Law.

Can you suggest any measures to the Government to deal with the native labour problem?—I would suggest that the administration of the Pass Law should be applied not by the Government alone, but also by the members of the mining industry, who should form a body. I think it is quite impossible for the Government to know what is necessary; what is required for us, and I would also suggest, as the mining industry has no representation in the Volksraad, that the Government should have representatives of the industry to consult with them on questions which appertain to the Mining Industry; that they should also choose members from the Mercantile Association for a similar purpose—to consider questions which affect commercial interests. This sort of thing is done in Europe, besides the fact that you have got in the Houses of Parliament in Europe men who represent the various industries. I think if the Government were to act upon these suggestions, a much better understanding would prevail between the so-called *uitlander* classes and the Government.

Representation of Mines and of Commerce.

You mean cousulting members?—Yes.

Mr. *Hugo.*

Kafir labour is a very heavy item in the expenditure?—Yes.

Cost of native labour.

Are you able to give us the percentage of the expenditure on that item alone?—It comes roughly to about 25 per cent.

Including food?—Yes. Of course, with some mines, I must explain, it entirely depends upon the nature of the reef; if the reef worked is a wide one it requires less labour to break it; if the reef is a narrow one you require more labour to feed the mill with a certain amount of ore. In some mines it may be 25 per cent., and in some it may be more.

That being so is it possible to replace kaffir labour by white miners?—That is not possible. I don't think a white man can do considerably more work than a skilled kaffir.

For underground work it has been suggested that white labour should be employed?—They would find it a failure, and too expensive.

Compound system.

Yesterday you suggested that, in order to obtain kaffirs, locations should be established, but that does not seem quite feasible; what do you think of the compound system that prevails in Kimberley?—I would not recommend the compound system.

Why?—Because I think it would hurt the commercial industry.

In Kimberley a contract is entered into to keep the kaffirs for six months in the compound?—Yes. I think it would have a bad effect upon the commercial industry, which, after all, is a great factor in the progress of the country.

For that reason you would not recommend the introduction of the compound system?—Yes. The main reason why, in Kimberley, the compound system was introduced was in order to evade the theft of diamonds. I can speak with experience on the subject because I have lived for twelve years in Kimberley, and was engaged in mining there.

Price of Dynamite.

Coming to dynamite, there was a report in the newspapers this morning that on a certain occasion the Chamber of Mines were on the point of entering into a contract to supply dynamite at 45s. Just about the time the monopoly was entered into?—I have some slight knowledge of what occurred at the time. When this contract was submitted to my Companies I opposed it.

Was the price then proposed 45s.?—I think it was 45s. plus duty. I don't speak with any absolute knowledge on the subject.

At any rate you are convinced at the present moment that dynamite can be supplied at 40s?—Yes. Dynamite for which we are paying 80s. costs about 18s. 6d. in Europe. I have here the annual report of the Alaska Mexican Gold Mining Company in America, and under the items of disbursements, dynamite costs 28s. 1d. per case of 50 lbs. That is the price under an old contract; they are now paying 25s. per case, and that is in the centre of North America.

What do you think would be a fair cost for dynamite delivered here, roughly speaking?—It is difficult for me to say; naturally, these people want a profit and a fair profit.

Mr. Hay, in his evidence, stated that dynamite could be delivered here at less than 40s.?—I believe he is correct.

There is no fear of a ring being formed?—No. The mining industry is quite rich enough to erect its own factory somewhere in Europe; the various Companies would be willing to contribute the necessary amount for this purpose.

Remedies for gold thefts.

You also referred in your evidence to the gold thefts. Would you recommend the Commission to submit a special law dealing with this, the same as the I.D.B. Act in Kimberley?—Certainly.

You estimate the loss to the companies at a very enormous sum—10 per cent. I think?—A large number must be thriving on the ill-gotten gains of I.G.B. The proof of that we have in the quantity of the people who are doing absolutely nothing, and they live in a very good manner. I have been in South Africa 21 years, and I pretty well know them all.

You referred to the establishment of a detective department. Can you make any recommendation as to how it is to be constituted?—I would suggest that the Government should request the members of the mining industry to co-operate and make some proposal to the Government as to the best method of choosing a detective department

Price of Coal freight.

What do you think a reduction in the coal tariff would effect a saving of? Have you any idea of the total cost of transport?—I would rather give you the expense from Brakpan to the George Goch; the Netherlands Railway charges for running trucks into the siding at the Transvaal Coal Trust 2½d. per ton.

You put it down at 3d. all told?—Yes.

Can you give, more or less, the aggregate sum paid for the transport of coal by the mining industry per month or per annum?—From £350,000 to £360,000 per annum.

In your opinion, how much can be saved in that?—I think about 2s. 3d. can be saved.

You estimate about £200,000 can be saved by transport alone to the mining industry ?—Yes. This saving could be effected if the Netherlands Railway put in sidings for the various companies and delivered the coal in bulk. That alone would save about 2s. 6d. per ton, because the bag item is a very heavy one. Reduction possible in Coal freight.

Mr. *Joubert.*

To a question of Mr. Smit's yesterday you replied that a railway company and a gold mining company are on one footing. Was that what you said ?—I don't know in what connection. I said the industry, perhaps, and the railway were on the same footing. If the gold mines do not pay any more, and they have to close down, then the railway companies will not pay. Comparison of Gold and Railway Companies.

What I mean is, that you replied to Mr. Smit that if a gold company was an industrial company so was a railway company.—A railway in this country is so far an industrial concern.

You don't say there is any competition between the two ?—No. There should be competition between the railway lines, but there ought to be none between a gold company and a railway.

You make no difference between monopoly and competition ?—I make a great difference.

Then the two classes of companies cannot be treated as standing on the same platform ?—Of course not; but a monopoly in a railway department means that there is only one railway allowed. I dare not build a line to compete with the present line. Therefore the railway company can have it all their own way.

And, therefore, according to my opinion, you cannot deal with a gold mining company as standing on the same platform as a railway company ?—No, of course not.

Then you cannot have understood Mr. Smit's question, because he plainly asked—If a railway company is a company and a gold mining company also a company, both have to do their utmost to earn profits ?—Yes, therefore I answered that the railways in any other country are run to promote the interests of the staple industry of the land.

But you can never put a railway company on the same platform as a gold mining company ?—As long as you establish the fact that a railway in this country, being a company must try to earn as much as possible, then they are on the same footing.

But still they have got a monopoly, there is no competition !—All the worse for it. Netherlands Railway a monopoly.

That is why I do not want to admit they are on the same footing.—If Mr. Joubert admits it is unjust that it should be a private company and make as much profit out of the concern as possible, then he is right.

I won't admit it is unjust, but I want to say you cannot put the two on the same level, to be considered from the same standpoint.—I can gauge the feeling of Mr. Joubert, when he does wish to say it is unjust. The object of the Commission is not only to look after the interests of the country, but also to look after the credit of the country outside, and as a commercial man I cannot admit that a railway company is on the same level as a gold mining company, because in the gold mining there is competition and in a railway there is not. The credit of the country can and will only suffer when the staple industry of the country is proved to be unpayable, and this can only be altered, and they could only enhance the value of their properties when they were able to work at a profit. As long as such abnormal conditions prevail—all these enormously high rates and cost of dynamite and other mining items—our properties will not be able to pay a return to the shareholders, the consequences of which must be that the credit of the State suffers.

But what possibility do you see for the Government to bring about a reduction after your declaration that the railway company stands on the same level as a gold mining company?—I don't say that. When you acknowledge the railway company must exist as a private company, then I say, of course the railway people have a right to charge as much as possible. But it is unjust that the Government should support a monopoly of that kind, and if the Government acknowledges that, and say we cannot allow this company to exist any longer as a private company, and we must, therefore, expropriate or buy the railway—so long as you acknowledge that, I say the Government will say, "All right. Now, after expropriating the railway we reduce the charges to such and such an extent." But as long as the Government says this is a private company, then I don't blame the directors of the private company for charging as much as possible.

Railway a private company.

Expropriation of Railway.

But it is always a privileged company.—Which is?

The Netherlands.—Yes; that is their good fortune.

Because there is no competition?—And because it is a private company.

That is what makes it so difficult to understand your declaration that the two stand on the same level.—As long as the Government will recognise this company as a private company, then I say they are quite right in charging as much as possible. The only way I can see out of that is that the Government expropriates the railway.

You acknowledge that a gold company is a private company, and a railway also a private company, and that every company will do its best to make as much profit as possible. Now, the question is, have both got the same chance of doing it?—Well, you know it is rather difficult to answer this question, for the simple reason that such a thing as competition does not exist in gold mining. The more gold that is put out the better it is. But if you substitute diamond for gold mining, competition in the diamond industry is disastrous. The more diamonds that are found the less value are they. If we were allowed to build one or two more railway lines in this country to compete with the Netherlands line, then, although they might be private concerns, we would have better conditions prevailing.

No Competition in Gold Mining.

Railway competition prohibited.

You say, then, in gold mining there is no competition?—Yes.

But still there ought to be?—Well, the more gold mines the better for the country.

The more competition there is the better?—Well, I don't know. If I had the choice of being the owner of one gold mine or 10, I think I would be the owner of the 10.

What is the reason there is no competition in gold mining? It is only putting in money in order to take out gold. Why cannot there be competition?—It lies in the very fact that such a thing cannot exist. When an article which increases in value the more it is discovered or found, you cannot call it competition. If you increase the article which you are manufacturing and thereby reduce its value, that means competition.

No monopoly in Gold Mining.

My idea was that everyone was at liberty to do with his money as he likes?—The word competition denotes that one man competes with the manufacture of an article to do better and cheaper. But gold has a standard value. This has been proved, as you will see, in the price of silver, which has fallen for the reason that more silver has been produced than necessary, but gold has a standard value.

Suppose a company is floated which developes a property well and has a good output. Nothing prevents another company starting work with a good capital?—No. I wish I could find a few mines more.

Then that is competition?—No, it does not reduce the value of the article I produce.

It means that one has not got the monopoly to dig for gold ?—Such a monopoly does not exist.

Gold has got its value to day, but a sovereign is nearly worth £100 as compared with last year ?—Yes, but I don't admit it. You must say that money is dearer to-day than a year ago.

So gold does not get the same value ?—Times would be like last year if we had the concessions to work the mines better.

Exactly so. The competition makes it go up and down and get cheaper and dearer, according to competition.—So many things cause money to be dear or cheap. Political questions and commercial questions affect the money market. The question belongs rather to national or political economy.

Forced labour.

You said yesterday that if a law could be made for enforced labour it would be a great assistance. Is that your opinion ?—Yes.

Is there a law in England to get forced labour ?—No; nowhere in the world as far as I know.

Taxation of natives.

Then why would you like it here ?—I have not asked for it. But I told you what the consequence would be if we reduced the price of labour and the natives refused to work here. Then I suggested to impose a head tax, and I think Mr. Smit asked me if it would be a good thing to have forced labour. I, as an employer of labour, say it would be a good thing to have forced labour, but another question is whether you could get it. You could exercise a certain amount of force amongst the natives if you impose a certain tax upon each native who does not work, or if he has not shown he has worked a certain length of time.

Mr. Smit pointed out to you that you cannot tax a kaffir higher than a white man.—No, you only tax him to make him work.

How can you make a law for two ? The law of the Republic will be the same for everyone. Do you think the people would consent to such a law ?—I do not know. I am not a legislator. The law is not the same for the kaffir as for the white man.

How can you say so ?—The native, for instance, has to wear a badge, and he must not be out after nine o'clock. If you say the same law exists for the native as for the white man a kafir ought to appeal against this.

From the beginning of the country the principle was laid down that the white man was a burgher and the kafir was not. The same law does not apply to the white man.—The law then should be for the native, that if he does not work for a certain number of years, or if he is too rich to work, he must pay.

You know of no other country where there is such a law ?—There are no kaffirs in any country I have been in, but the rich man who does not work has to pay a higher tax than the poor man who has to work. In fact, the man who earns a certain amount of money pays no tax at all, and the proportion of taxes goes up in proportion to a man's wealth. If a native does not work he ought to be taxed.

If he has no money and does not work ?—I do not know how such a man can live.

But although there are in London no kaffirs, there are poor whites ?—Oh, yes.

Are these compelled to work ?—You do not need to tell a man to work there, he will work if he can only get it.

Is it the same here ?—No. A kaffir can get work if he will come.

But still they live ?—Who ?

The poor at Home—Oh ! yes, they live.

Nationality of mine boys.

Do you know that two-thirds of the natives in the mines are not subjects of this State ?—Yes.

How can we go and tax natives who are not our subjects ?—No, of course not. The native who comes here would not get taxed; he works.

So. Consequently the kaffir coming in from outside would have the privilege over the one here ?—I do not know what the other countries would do. In the Colony there is a law which compels natives to work. It is the Glen Grey Act.

Chairman.

Reduction of Railway rates.

I want to be clear with regard to the grievances, and what you expect the Government to assist the mining industry in. To start with the railway. I understand that if we lower the tariff as far as material for the mines is concerned, and machinery, that this would be of great assistance to the industry ?—Yes.

Then this question does not include a general lowering of tariff for general merchandise ?—Yes, we ask for a lowering of the tariff all round.

Then we come again to the question discussed casually between you and Mr. Joubert, that, through the reduction of certain articles, I do not believe that any greater impression would be made on the revenue of the railway. I can well understand that, on the promoting of the interests of the industry, the prosperity of the commerce and the whole Republic depends. Consequently, when we go into these questions, we must remember that, although the Railway Company is a private company, still the Government have a great interest in it, and exercise supervision over it. It is well known that the Government is a big shareholder in the company. Still, when the tariffs are lowered, no matter whether it belongs to a company or to the Government, they could not be so far lowered as to preclude the Railway Company paying expenses.—But the margin between the profits and the cost of working the railway is so enormous that the railway tariff might be reduced considerably—very considerably—and yet the Railway Company would make a large profit. I can give the Chairman a few figures for 1896.

Railway profits.

The Chairman said he preferred to have the figures with the other statistics which had been asked for, and said : You have pointed out the transport of other countries. I don't take that as an argument in favour of a reduction here, because we must keep in view the expenses of living here, and the expenses of articles to be landed here, which are so much cheaper in other countries. The same rule applies to the railway, so far as it concerns the importation of railway material, and the salaries and wages of its employees.—May I say one thing about that ? In spite of all the Chairman has said, and in spite of the enormous cost of bringing material here, living here, &c., the Railway Company made a profit last year of £1,298,000. From this you can gauge the heavy burden borne by this industry. The Railway Company, moreover, made this profit after allowing 6 per cent. interest on the share capital, and on the debenture stock. This will give you an idea, Mr. Chairman, that this industry is not only overcharged; it is not only unfairly treated; it is simply strangled. I don't exaggerate, and I assure you that such a state of things does not exist in any other part of the world, of a company with a capital of £1,166,666 making a profit of £1,298,000 after making allowance for interest and debenture stock. I am glad you have pointed out how very expensive it is to run a railway, as you will now gain an idea of how expensive it is to run a gold mine.

Necessity for redress of grievances.

Of course, we must probe this question to its very depth.—I can only answer the Chairman this. I speak feelingly, and I know that the end of my examination is nearing; but the State will have such ample proof that, unless they meet us in such a way that we can work the industry at reasonable prices, as will never be required again, inasmuch as most of the mines—and I don't say this by way of holding out a threat—as I speak as a man who has got a large interest at stake in this country, and it may hurt me to admit the fact I am about to reveal to you—that our interests will not be worth the paper they are written on, unless the

Government agree to give us the reforms which are really and fairly required by the mining industry. Figures will prove anything to you, but you can twist figures as you like, the facts will be very bitter, and they will prove much more than figures.

I understand that the question of dynamite is a serious one in the development of the industry?—It is, sir.

These are really the two big questions?—Just so; but I would like to give you one lot of figures. A merchant here has brought me a bill of lading for 180 bags of flour. From Bloemfontein to the Bridge, a distance of 210 miles, the railway charge is £4 15s. 6d., but from Vereeniging to Johannesburg it cost £6, or 50 per cent. dearer, and only quarter the distance. These are the items which make our foodstuffs very dear. Therefore, I say the tariffs must be reduced all round. The Government need not fear that the receipts of the Netherlands Railway Company will be reduced if they reduce their tariff, and I would guarantee that the receipts will be more than doubled, and that the Netherlands Company will still make a big profit; indeed, I should not be surprised to see the profit almost as high as last year. The Netherlands Company has not yet felt the effects of the calamity which has befallen the Rand. There are still millions of pounds to be spent on machinery, which is coming out in a few months' time. When this is finished, then the country will awaken to the fact that we are going to have disastrous times here, and the only way you can prevent that is, by the Government and the mining industry acting as surgeons, and consulting as to the best means and methods to operate on the sick patient, which is the mining industry.

Railway rates on foodstuffs.

But, in order to cure the disease, we must know where it lies. As to the labour question, I understand that is one of the biggest before us?—The native labour question is a very big one, and the mining industry will deal with it. All we request is, that the Government will help us to get the natives in a fair and reasonable manner. That we should not be compelled to pay every Native Commissioner 10s. or £1 for his goodwill; that the railway should not charge too much; and that the administration of the Pass Law—which in itself is a good law, with slight alterations—should be properly administered. Its administration should always be a matter for discussion between the leaders of the mining industry and the Government officials. As I have stated before, it would be very advantageous, and would have a salutary effect upon the mining industry and the country at large, if the Government were to consult on questions which affect the mining industry with the members of the mining industry, and on questions which affect the commercial community with members of the commercial community, and I come back to your question that we shall be able to deal with the native labour question if you give us only the slight help we ask you for.

Cost of native labour.

Duty of Government.

All kaffirs who come here come over the border?—They come from Komati and from the Cape Colony. The main question is, we will reduce native wages, and the support which we ask from the Government is a minor question then; the working of the Pass Law must be thoroughly gone into; the Liquor Law is one of the side issues of that question.

The proper enforcement of the Pass Law will not help you very much, as before you enforce it you must have the niggers here?—We have got the niggers here.

And there is no difficulty in getting kaffirs?—No.

And then the great difficulty is taken away from our side about the labour question?—Yes, that question affects us; for this disease we are to be the surgeon.

I think you said it would be desirable that you should be better represented in the Volksraad or Executive Council?—I have said, unfortunately we have no voice in the Volksraad or in the legislation of the country, and I therefore have recommended

Representation of Mining Industry.

that the Government should elect consulting members for the mining industry and the commercial representatives.

The burghers in Johannesburg have the same representation as the rest of the country.—Johannesburg has a very small number of members, and then the members are burghers whom you don't expect to understand the requirements of the mining industry.

Mr. Jeppe understood the requirements of the industry.—Mr. Jeppe was by profession an advocate, and not a mining man. If such an advisory Board existed, I think it would be almost unnecessary to have a Commission appointed. The advisory members and the representatives of the Government would long ago have come to the conclusion at which I hope we will come to now.

There was nothing prevented the industry before now from trying to bring about the appointment of a Commission, or the conclusion which we are arriving at now?—I can only say I wish it had been done years ago.

That is not a reply to my question.—I can only say I would it had been done years ago.

I put my question in order to show that the Executive and the Government were always prepared to receive any deputation from the goldfields in the interests of the goldfields. The Minister of Mines is not only prepared, as he is in duty bound, whenever he is called here by the Chamber of Mines or the Chamber of Commerce or the public in general, to put before the Government any communications made to him, and the grievances reported to him. It is a pity that we have never before come as far as we have to-day. These are matters belonging to the past, and we will try to improve them. There is one question I wish to put to you: You have acknowledged the Government must meet the industry and the industry must meet part of the difficulties themselves?—Yes.

Duty of Mining Leaders regarding reduction of working costs.

And you even went so far as to say that if the Government were to give you everything you ask for, and the leaders of the mining industry would not exert themselves from their side, then all the efforts would be in vain.—They would not help to a great extent, but I think it would reflect very badly on us if the Government were to give us what we require, and we do nothing in order to bring about a reduction in general expenses, and I assure you there would be such an uproar in Europe among shareholders that the task of managers-directors and directors of mines would be most unpalatable. Besides, you must not forget one fact, that the men who are living here, the leaders of the mining industry, have every penny they possess invested in spite of the big boom which took place in 1895. You see all these men like Robinson, Barnato, and others have come out here to look after their interests. Do you think they would do that if they had no shares or no interest in this place. I venture to state their interests are as large as ever they have been, and they will do their utmost to make the money they have invested here remunerative—quite apart from the duty they owe to the shareholders in Europe.

Attitude of Government.

I put my question in order to explain to you that now is the opportunity on your side to put whatever you require from the Government before the Commission, and then it will be necessary for the Government to know exactly what mistakes were made on your side. Therefore, it will be necessary for us later on to enter into details of the management of mines, and any mistakes made in the management.—Yes. We, at the present moment, are engaged in bringing about these reforms that we can bring about.

You knew all the difficulties on your side for some time past, why didn't you move first, and then come to the Government? Now you want the Government

to make the first move, and then the mines will follow suit.—It is not a question of the Government moving first and the mines following suit. We could not, for instance, reduce the wages if we have to pay these high tariffs. We anticipated a long time ago that the Government would see the necessity of granting the reforms asked for by the industry. The Government will very soon find out, and be convinced of the necessity, by their own budget.

The Government has seen the necessity, and we all understand that the interests and progress of the industry are the interests and progress of the country.

Mr. *Smit.*

Railway rates on foodstuffs.

What did you mean just now when you said that you cannot decrease wages while you are still paying high railway rates?—I have just quoted an instance, that of flour, which comes from Bloemfontein to the bridge. For instance, during the drought we imported mealies from America. They cost us, landed in Durban, 9s., and delivered on the mine 22s. 6d. How can the mining industry, which requires 50,000 sacks per month, pay if they have to pay on a commodity of that kind more than 100 per cent. for railway transit for 350 miles, after these mealies have come thousands of miles from America.

Railway profits.

Yesterday and to-day you pointed out frequently that the Railway Company has a capital of £1,666,000, and to that you compare the high revenue. You know that the railway cost seven millions, so that we have not got to pay interest on one million, but on seven millions.—I can answer to this, that if the Transvaal Government's credit is good enough, provided that the industry is in a flourishing state—which again, I think depends upon the Government of the State—the Transvaal Government's credit is good enough to issue debentures for the whole of this railway, say for nine million pounds sterling at 3½ per cent. per annum, which would mean an expenditure of £300,000 a year. That is what it would cost you. What is the good of the credit of the State when the State does not employ that credit?

I differ from you. In order to keep the credit of the State good you must make use of it as little as you can. Here, too much use has been made of credit, and that is the reason that you are now going back.—If the Transvaal had made use of its credit in such a way as a State can make use of its credit, for the purpose of building railways, then I think the credit of the Rand would have been better. You have two bank managers present, Messrs. Hugo and Pierce, who, I think, will bear me out in that.

Gross and nett Railway profits.

You speak of profit. Do you mean nett profit or gross profit?—The actual receipts of the Netherlands for 1896 came to £2,970,000; working expenses came to £1,237,000, and that left over £1,700,000 for distribution, for the payment of debentures, and for dividends to be paid to the shareholders. Now, supposing you had to pay 6 per cent.—I believe the State could get money for 3 per cent.—but say you had to pay 6 per cent. You give the debenture holders 6 per cent.; that would require £435,000. The working expenses for 1896, £1,237,000, total interest of 6 per cent., and working expenses come to £1,672,000. The actual receipts were £2,970,000, therefore there remains an excess of £1,298,000.

Railway dividends for 1895.

I want to go back to the report of 1895. In taking the nett profit you have left out of account the enormous expenses for permanent works, improving stations, &c.—That is capital expenditure. For 1895 you paid dividends to the shareholders of almost 9 per cent., besides which the Government receives its share of the 85 per cent. £322,000. That makes altogether a total on the capital of the Netherlands—without the debentures of course, for these you had to pay first—that makes a total of 36½ per cent. dividend for 1895. First you pay the debentures, then you pay the shareholders 6 per cent., then the Government get their share of the 85 per cent., and then there

is a division again to the shareholders out of the 15 per cent. after the payment of the 85 per cent. It has always been a commercial maxim that if you reduce these amounts, if the burdens which the industry has to bear are lessened and brought down to a level, it will enable us to live on, and your profits will not diminish.

Mr. *de Beer.*

Do you know whether the Glen Grey Act works well ?—I think so.

Nominal capitals

Now, can you give me a definition of the nominal capital of companies ?—The nominal capital is that capital represented by the property and working capital including the reserve shares.

Flotations.

Suppose, now, a company of £150,000 nominal capital. Is all that money in circulation, or would it be used in the development of the mine ?—If a company is floated with a nominal capital of £150,000 there will be a certain amount of this capital which would go to pay the vendors for the ground.

Can you tell us how much ?—That entirely differs. All the rest would be devoted for the development of the mine and for the erection of machinery. The remainder is the cash or working capital.

Amount of working capital.

Cost of Mine equipment.

Reserve shares.

Meyer & Charlton flotation.

Would I be wrong in such a case if I supposed that £75,000 would go to the vendors out of £150,000 as an average ?—That would entirely depend on the value of the ground, and in order to answer this question correctly I must refer you to flotations which have taken place four, five, and eight years ago. In those days we thought that a working capital of £50,000 was a large amount, but since we have gained the knowledge that the amount to equip a mine with 50 heavy stamps, with machinery of the latest type, and to develop this mine, costs alone about £120,000. Since we have gained that knowledge we do not float any more companies, the working capital of which would only be £50,000. It would be quite impossible to equip the mines in a manner which from the outset would guarantee a certain amount of success, without most of these mines issuing their reserve shares or increasing their capital. These reserve shares were not issued at par, but at very large premiums varying from £2 to £20 per share. Now, to give an illustration, the capital of the Meyer and Charlton is now £85,000. In order to equip the mine we raised the capital two years ago, which was £75,000, by 10,000 shares, bringing up the capital to £85,000. For these 10,000 shares certain firms have paid the company at the rate of £7 per share. That is almost as much as the whole capital was at the time. If I had been compelled to create the £70,000 cash at par, I should have increased the capital of the Meyer and Charlton from £75,000 to £150,000.

George Goch reserve shares.

Ferreira reserve shares.

Modderfontein reserve shares.

This is an isolated case ?—No it is not an isolated case, but occurs almost in every company. In the George Goch Company, firms have taken up only a little over 30,000 shares for £90,000 cash, and so I can give examples in any quantity. The Ferreira Company for instance, four or five years ago sold their reserve shares in order to equip the mine properly, at £15 a share. The Modderfontein Company sold their reserve shares at £6 per share.

On which do you pay dividends, speaking of the first company ?—On £85,000.

How would the company with £150,000 capital pay ?—On all shares issued. Only the reserve shares do not receive dividends.

Now, with the Company with £150,000 capital, on how much would you have to pay dividends ?—As I said, on all shares issued.

You say that seven or eight years ago £50,000 would have been considered sufficient working capital ?—Yes.

Payments of Dividends.

Taking the company with the capital of £150,000, how would the profits be paid out ?—The dividends would be paid from the profits on the whole of the capital.

I have nothing against the system, I only wanted to show that the mines were very wealthy, and the dividends paid did not represent the riches of the mine, or the money invested in them.—The shares given to the owners of the ground are also in circulation. We cannot possibly expect them to put the ground in without. Vendors' shares.

Does the working capital, plus the ground, make £150,000 ?—The promoters, of course, get something.

How are they paid ?—Some are floated high and others low.

You keep £50,000 as a cash working capital. Now there is £100,000 left. Is the mine represented by £100,000 ?—The promoters, and the vendors, and the middlemen get paid out of the amount. In some instances they have received 80,000 shares. The promoter who pays down £50,000 cash may sometimes receive 20,000 shares, for you must remember that mining is at best only a speculation, and after he puts in £50,000 he does not know whether he will get it back. The shares may be worth pounds or shillings, and the man who gets the 80,000 shares takes the risk. There is no business which carries such great risks as mining, and that is a recognised fact, and it is for this reason that people all over the world who invest money in mining expect to get a bigger return than those who invest money in railways. Flotations.

Now, coming to the labour question. You do not quote lump sums in this ?—The labour takes more than 50 per cent. of the money in mining companies on the Rand. We will say between 51 and 52 per cent. Percentage of labour costs.

What is the percentage of railway carriage in working costs ? We have got 52 per cent as labour costs; now, which is the percentage for carriage ?—To give an exact or approximate estimate is impossible. For ever copper penny you spend in mining carries a certain proportion of freight. Percentage of freight on working costs.

You complain that freight charges are high. There are certain things charged direct to carriage and freight ?—No, nothing is charged direct. If we order machinery from Home it is entered in the books costing so much delivered at the mine, including the price paid the engineering firm, shipping charges, and railway freight.

Don't you enter the expenditure in the books under different headings ?—Yes, items are debited so much under cyanide, or hauling charges, or shipping charges. But we often get machinery and timber through the agent here, and as to how much of the charges went to carriage and shipping he could not say exactly, but would only repeat the statement he gave the other day, that the shipping of a load of timber that cost £1,100 cost £6,000 landed here. Rates of freight.

It is an isolated case.—In the case of mealies bought in America, they cost six times as much delivered at the mines.

That does not explain. I want the percentage or exact total.—The cost is 100 per cent. more than I can buy at Home. If I pay £25,000 for machinery in England, it costs £50,000 here.

You can tell us that labour represents 50 per cent., and now in the case of carriage you give us an isolated case.—It is difficult to say ; but all I can tell you, sir, is that the railway charges are so tremendous on the original cost, that, not only are installations excessively dear, but living is also, in consequence, dearer than it would be if we had cheaper rates.

The system in which you keep your books is not known to me. So far as I know the receipts and expenditure are booked under different headings, especially such an important item, freight, which ought to have a heading to itself.—I have explained we don't buy machinery at all. The commercial people who supply us make us a charge delivered at the mine. I think you will to some extent get this information from the people in the commercial business.

The direct complaint is against the railway company, and, in order to test that we must know which proportion of expenditure constitutes freight.—It is quite impossible to state, and if it is not a sufficient illustration that the mining industry, which has invested between 75 and 100 millions has made a visible profit of one-and-a-half millions, whilst the railway company, which has actually invested £1,166,000, has made a profit for 1896 of over a million—then if this is not a sufficient illustration of circumstances, and if these figures don't appeal to you, the figures you seek to obtain, and which are almost impossible to obtain, will never illustrate to you the necessity of reducing railway charges.

Profits of Netherlands Railway.

You quoted one million. Mr. Smit later on said it was seven millions.—Yes, but the six millions are debentures of the Government, which is after all the guardian of its people, and must look after the interests of its people. It has been appointed by the people, and should study the interests of the industry of the land. If they can get money at 4 per cent. then I think it is a suicidal policy which the Government pursues if they take from the people 36 per cent. dividends. If you will allow me, that is with regard to the income of the Netherlands Railway, I will give you the figures of the profits made by the Cape Government Railway.

Profits of Cape Colony and Natal Railways.

Have you brought these forward before ?—No. As you are all aware, the progress which the Cape Colony and Natal have made of late years is only due to the industry of the Transvaal. The figures will show what this industry is taxed with. I will first give you the figures of the Cape Government Railway. They expended on their railway lines 20½ millions. The interest on the capital expenditure was 4 per cent., which is a very handsome amount. That will make £820,000. The actual working expenses, as published in their accounts for 1896, amount to £1,922,000, so if you take the interest on the capital and the working expenses, these two items come to £2,742,000. Now, will you believe me when I tell you that the gross receipts for 1896 for the Cape Government Railway—including the Free State, of course—amounted to £4,079,000. After paying interest of 4 per cent. and after paying working expenses, they have still a surplus of £1,337,000, and those railways did not pay before the Transvaal existed. I do not want to weary you too much with figures. A similar statement applies to the Natal Government Railway. Their surplus, after paying 4 per cent. on their capital, and after paying all their working expenses, amounted to almost half a million pounds. You also know the Natal Railway did not pay until it was brought up to Charlestown. These two surpluses amount to £1,800,000, and that simply comes out of the Transvaal.

Freights.

What proportion of expenses is the freight on coal ?—The percentage of expenses at one mine with which I am connected, for coal, is 15 per cent., and the carriage of it is 50 per cent.

You don't follow me. We have got the percentage of labour at 50 per cent. Now, we want to make up the 100 per cent. What is the cost of freight on coal alone ?—It is between 7½ and 10 per cent. That includes, of course, the carriage to the sidings of the various works.

Can you give us statistics. We want to get the division of percentage to make up the 100 per cent. ?—I can give it to you roughly now.

Mr. de Beer said he could hand them in later on.

Mr. *Brakhan.*

Profits on Dynamite.

I should like to revert to two questions put to you yesterday. The first is, that about two or two and a half years ago the Government issued permits to the mining industry to import dynamite. Then, I think, the cost of dynamite was between 40s. and 45s. per case, delivered in Johannesburg, exclusive of duty. Can you explain

to me why the difference occurs, because the mines had not the advantage of these import tariffs ?—I could not give information yesterday on the point, but I have since then ascertained from various permit holders the reason why we had to pay so much for dynamite at that time when permits were granted by the Government. The Government exacted from 37s. 6d. to 40s. per case duty, which we had to pay, and which was added to the cost price of the imported stuff. It is a very curious fact, however, that the Government only gets now 5s. per case. Two and a half years ago, the period you are alluding to, the Government received about 40s. per case duty.

Then I wish also to ask you with regard to the Gold Law. The mining industry pays licences on claims, whilst on mynpachts the Gold Law provides that the Government is entitled to charge 2½ per cent. on gold produced by companies which have mynpachts. My question was, but I may not have made it very clear, whether, in your opinion, if this 2½ per cent. were charged on the gold produced by mynpacht companies—I do not speak of the poor ones—would it be a great disadvantage against those companies which merely work their claim properties ?—As comparatively but few—only one or two—mynpachts are rich, I can only come to the conclusion that if Government were to exact 2½ per cent. on the mynpacht, then the result would be very disastrous to the mynpacht companies. If they were all rich mynpachts—and when I talk of rich mynpachts the Robinson is a rich mynpacht—if they were all similarly or even approximately as rich as that, it might not hurt them so much, but as I have stated before, most mynpachts are too poor, and a charge of that kind would be a serious loss to the company. Taxation of Mynpachts.

Reverting to the evidence of this morning, I should like to ask you whether it is not a fact that the proportion of wages to the proportion paid for stores and material in the working expenses of mining in other parts of the world is also very considerable, that is to say that the proportion paid for wages is larger than that which is paid for stores ?—You mean in this country ? Percentage of mining costs.

No; in other parts, because here it is 51 per cent.—You want to know if the proportion of stores used here—

I want to know your opinion generally—whether in other parts of the world the percentage of wages to material—what you call here stores, is also not greater ? Is the 51 per cent. in this country normal ?—I have not had very much experience of mining at Home, because when I came to this country I came almost from school, but from what I have been able to gather from the reports, I find in Europe, and America as well, the heaviest proportion is always the wages paid to workmen.

Therefore you do not consider 51 per cent., which falls here for wages—white and native, excessive ?—No. I do not think so. If the mines are managed with the utmost care we may be able to reduce this item a little, but I don't think we can reduce it very much—comparatively much, I mean. On the other hand, if our requests are granted as regards railway rates, dynamite, etc., then the amount for wages will be a smaller one.

One question with regard to flotations years ago when this mining industry was in its infancy. You say that the working capital was moderate, and that the promoters in these companies got certain shares for putting in the ground, and also for putting in the money. Now I want to know from you whether they were well informed about the value of these reefs. Do you consider the shares which these promoters took in loan for their working capital which they put in, and also for the ground, whether they were too high considering that at that time one did not know what those £50,000 would bring ?—I have explained to Mr. de Beer that I consider capitalists are the people who put in capital in those days, and ran the risk of losing their money they put in. And to show you how uncertain we were of the quality of Flotation.

our mines, I may simply point out to you that in 1887 or 1888 a very eminent mining engineer, Mr. Gardner Williams, came up to the Rand to report for Messrs. Wernher, Beit, and Co., and that his reports were unfavourable, and to the effect that he did not think the conglomerate bed would be continuous and that it was only a surface wash. I may say here that this opinion advanced by Mr. Gardner Williams at the time does not in the least reflect upon his ability as a mining engineer, because the conglomerate bed as found here had never been met with anywhere in the world, and that his conclusions were at the time perfectly justified. Does it not strike you as being very plucky for men to put in £50,000 or £5,000 at the time, and as the profit is always in proportion to the risk which a commercial man takes, that the money which these men in the early days made they were justly entitled to make? If you have a mine you can get your working capital subscribed at par, or even people are willing to pay premiums, or, as I have pointed out to Mr. de Beer, the reserve shares were subscribed for at premiums varying from 200 per cent. to 2,000 per cent.

Now must I understand that those premiums paid lately have been paid by the public, by groups of financiers, or by the promoters of the mines?—The issues have been guaranteed and generally subscribed for by financiers.

Then those who formerly had no shares have lately paid for shares considerably over par?—Just so.

Chairman.

I must now thank you, Mr. Albu, for the manner in which you gave evidence, and I can assure you that you have assisted us materially in our work. So far we have finished with you, although I think we shall recall you later on.

Mr. Edward Way's evidence.

MR. EDWARD J. WAY, manager of the George Goch Mine, was called. Mr. Way stated that he was manager of the George Goch for three years past, and prior to that he had been manager of the Eastleigh Mines at Klerksdorp.

Chairman.

On the lines indicated by you, the Commission, after your statement, will put other questions.

Cost of native labour.

Witness.] With regard to the question of mining costs there are four or five chief headings to engage one's attention upon which reductions can be made. The most important is kaffir wages. Taking the figures of my mine as a criterion, the average wage paid to each boy amounts to about 2s. 1d. per shift and his food. Previous to November, 1896, it amounted to from 2s. 7d. to 2s. 8d. per shift. The natives of my own mine draw monthly from £3,500 to £3,900. Most of the managers have notified their Boards that in their opinion these wages should be reduced one-third, and the matter is now under serious consideration. On the George Goch Mine this would mean a reduction of £1,300 per month. The wages then would even be higher than were paid by me ten years ago in Pilgrim's Rest.

Reduction of native wages.

Mr. *Hugo.*

How much higher?—The average wage paid in 1889 was about 27s. per calendar month, with food. The wage now, if this reduction takes place, will be about 40s. per calendar month. That is the maximum. The next question is dynamite. The George Goch Company pays at present about from £1,000 to £1,200 per month for dynamite. If it were possible to reduce this dynamite from about £5 per case to 50s. per case, it would save us from five to six hundred pounds per month, which is about 1s. per ton on the

Dynamite costs.

ore treated per month. The next question is the question of coal. At present we pay 16s. 3d. per ton for nut coal—that is small coal—and 18s. 9d. for the large coal, all delivered in bags. It would be possible to get this coal, if not delivered in bags, at from 15s. to 16s. per ton. I think it is possible to deliver coal to the centre of the Witwatersrand at from 12s. to 13s. per ton, provided the railway freight be reduced. This would mean a saving to the George Goch Mine of 5s. 6d. per ton on about 2,000 tons of coal —about £1,000 per month. My present coal bill is about £1,900 per month. Coal, dynamite, and native labour wages, which I have just given you, if reduced in the way I have suggested, would mean a saving of approximately £36,000 a year to my company. This would be entirely profit, and is equal to over 10 per cent. upon the capital of the company, which at the present moment is not paying any dividends at all. With regard to the question of further reduction of white wages, I think the high cost of living must be seriously taken into consideration before any steps are taken in that direction. If we can reduce the cost of living, and make a reduction in the other items which I have mentioned, I think we shall have reasonable grounds for attacking white wages. At the present time, upon the George Goch Mine, wages alone are 55 per cent. of the total expenditure.

Coal freights.

White wages.

Mr. *de Beer.*

Everything included?—Yes.

Mr. *Smit.*

White and black labour?—Yes. Native labour, with food, comes to about 27 per cent., and the white labour to about 28 per cent. The actual stores consumed, such as drill steel, machinery, mealie meal, and other items which make up the trade accounts of the mine, could be possibly very greatly reduced. The trade accounts, exclusive of dynamite, amount to about from £2,800 to £3,300 per month. Ten or 20 per cent. reduction on this amount would mean a further saving of from £300 to £600 per month, so that if you add these figures together—the £3,000 I have mentioned and the other reductions—it would come to £3,600 per month. That is equal to about from 6s. 8d. to 7s. 3d. per ton, and would reduce our expenses to about 15s. per ton, including everything. The two items of dynamite and coal on the George Goch Mine come to £36,000 a year; the whole item of wages would amount to from £80,000 to £90,000 a year; the proposed reduction of native wages would mean a saving of about £16,000 a year on the George Goch.

Percentage of mining cos

Mr. *Joubert.*

Supposing it to be possible that the Government were to give low railway rates, make a reduction in the price of dynamite and the price of kafir labour, would the mines then be prepared, when any further complaint was made, to co-operate with the Government, and show the outside world that such complaint was groundless?—I should say that the matters which are being brought up before this Commission for redress will be complete, and I should not anticipate that anything further will be brought up. It depends entirely on the scope of the enquiry.

The question is: Would the mines be prepared, if the Government does its best to meet these grievances, and then, if any further complaint was made, to co-operate with the Government to convince the public at large that such complaints were groundless?—That is a question I hardly can answer.

Co-operation of mining leaders

I simply want to know your opinion on the subject?—It strikes me that question would be answered more readily by the heads of the mining groups. My opinion is that if the Government and the mining industry co-operate together and act together, I don't see how there can be any further cause of complaint.

I want to be assured in case I make recommendations to the Government, and these recommendations are adopted, that the Government can then depend on the support of the mines.—I should say they will be supported by the mines if their recommendations are adopted.

One of the objects of the Commission is to put matters on such a basis that the mines can co-operate with the Government to bring them all to a good state, and I, as a member of the Committee, would like to know from the managers if the Government redress these grievances, whether the mines would co-operate with the Government?—I should say most certainly.

Mr. *de Beer.*

White and native wages.

You say the wages are £80,000 per annum?—Yes.

As far as I understand it is divided pretty equally among black and white?—Yes; including the food of the natives.

How many white employees have you got?—180; but I must say, in continuation, that at least 70 or 80 of that number are employed upon what we call capital expenditure—what we call construction. In an ordinary way we have 105.

How many kafirs have you got?—At the present moment in my compound I have 1,335.

What is the aggregate per head for white labour?—Do you include managers?—Are they included in the 105?—Yes.

Average of white wages and salaries.

What is the aggregate wage of the 105?—From £25 to £27 per month.

I make it over £30.—That may be owing to the fact that in the amount I named I included town salaries, directors' fees, and the head office in Berlin and the London office expenses. The actual number of white employees stated by me is 105, and if Mr. de Beer is dividing the amount I gave by that number, I must include seven or eight more, because they are not under my control. I am merely speaking of those under my control. There is the secretary in town, for instance, and his staff. My figures are approximate: I have no notes.

Average native wages.

What would the average kaffir wages per head be per year?—The average would be something under £35 per year; we don't pay them all the same.

Then you think that the amount of wage paid to your 1,335 kaffirs per year can be reduced by about one-third?—Yes.

Reduction of white wages.

You see no chance of reducing the wages of white labour—those who get an average of £30 per month?—The possible average of my mine probably differs from other mines; I am merely taking the figures of the George Goch Mine. It may be that other mines pay higher or lower as the case may be.

It is rumoured that there are thousands of white miners out of employment. This being so, is there no chance to reduce wages?—That is not my experience. I have the greatest difficulty in getting good miners. I will give the Commission an example. I advertised in the *Star* for two pump men, and I had only one application, and the applicant was absolutely incompetent. I can understand that there are a great many men out of employment, but they are not competent, and so long as we have not got an over-abundance of competent white miners, we cannot hope to reduce their wages unless we can reduce the cost of living.

Rates of white wages.

Contract work.

Do you consider that £340 a year is an abnormal salary for a white man?—It depends entirely upon the work he does. If he is employed on contract work and relies upon his own efforts, I personally have no objection to a man earning £35 to £40 per month. If I employ a cheaper man to do this work he would probably burn twice as much dynamite, so that the difference between the men is thus balanced. My experience is that if you can get together a good body of men and pay them well,

the money which they save in other departments a great deal more than covers the increased wage they may be earning.

Do I understand that these 105 are skilled labourers?—It depends on what line of demarcation you draw between skilled and unskilled labour. The only unskilled men we have are the actual miners.

And their salary?—£4 10s. per week.

And you consider that with the high cost of living it is difficult to reduce that?—It comes particularly heavy on married men. A single man can possibly save, if he saves everything possible, perhaps £100 a year. But the married man has several disadvantages. As a rule he does not get a house free upon the company's property. He has house rent to pay, and there is the keep of his wife and possibly a family, and he cannot live under a margin of £18 or £20 per month. A very large percentage of the men who live as single men on the Rand, particularly among the Cornish miners, have wives and families in Cornwall, so that the apparent saving, so far as we know it, possibly goes to keep a wife and family in Cornwall. Most of the miners on the George Goch are Cornishmen. Wages of married miners.

Do you order your machinery direct from the manufacturers?—Does Mr. de Beer mean me personally. Purchase of machinery.

Your company?—Yes, from agents in Johannesburg.

What do the agents charge on that do you know?—As a rule the work is given out to contract, and the lowest tender is accepted. If the nature of the work precludes it being given out to contract it is supplied on what is called prime cost, that is to say, the principals of the agents in Johannesburg send the exact cost of making the work, together with their profit, to which is added freight and railage, and, as a rule, the agent here gets 5 per cent. on that.

Do the railway charges always appear as separate items?—In our accounts certainly. I understood you to refer to prime cost when you spoke about railage. If we buy stores from merchants in town we know nothing about railage.

I am speaking of machinery?—Yes, in regard to machinery.

Mr. *Smit.*

One of the biggest items of your expenditure is labour, which means 55 per cent.?—Yes. Percentage of labour costs.

Amongst which is 27 per cent. for kafir labour, and 28 for white?—Yes.

Are any steps being taken by the George Goch, in conjunction with other companies, to get the wages reduced?—Yes. Reduction of white and native wages.

What steps are being taken?—As I pointed out to the Commission, the managers have recommended ther directors to go into the question of further reducing kaffir wages by 33 per cent. The question of the reduction of white wages is also under consideration.

Can you tell what the mine managers will get?—They will get anything from £1,000 to £4,000 a year. Salaries of Mine Managers.

There is no case where they get more than £4,000?—I cannot tell that.

On the different savings suggested by you, what would be the total amount in saving effected by the George Goch after all the reductions were made?—Over £40,000 a year.

Wages come to 55 per cent. How do you make up the rest?—Dynamite, about 12 per cent.; coal, about 11 per cent.—that is coal and carriage. Percentage of mining costs.

How much of the 11 per cent. belongs to carriage?—About one-half, roughly.

And how is the remainder of the total made up?—It would be taken up in general stores, such as candles, fuse, pipe fittings, cyanide. Cyanide amounts to about

2 to 3½ per cent. Mine timber would amount to 3 or 4 per cent. The price of mine timber largely depends upon the source from which it is obtained. At the present moment our supplies are mostly coming from Natal, as the farmers of the Transvaal have not been bringing in large quantities lately. I believe a pole which costs about 1s. in Natal costs 8s. or 9s. by the time we get it.

Percentage of freight on working costs.

At any rate, the charge for railway carriage debited to general expenditure account would only be on coal, 5½ per cent.?—It is very difficult in buying from merchants in Johannesburg to know what has been paid for railage, freight, Customs, and transit dues. As a rule, the mine manager makes a contract with a merchant, and, as far as he possibly can, he accepts the lowest possible figure. He does not concern himself at all as to the actual way in which the cost is made up.

Chairman.

Have you had occasion lately to dismiss white labour?—No.

I mean fixed miners on the mine?—No.

Mr. *Schmitz-Dumont.*

You have said that of the price of coal one-half ought to be debited to railage?—I said approximately.

You say 11 per cent. is the proportion of your expenditure used by coal?—Yes.

The salaries of white people are so high because the cost of living is so high, and the Commission would like to know what the amount is which the mines pay for railage to the railway company indirectly through their consumption on different articles?—I cannot say. In my opinion I would say that is a question for the merchants.

It is impossible to fix the amount which goes to the railway in proportion to the salaries of white men?—From my point of view it is impossible.

Scarcity of competent miners.

You say it is difficult to get competent miners for the mines?—Yes.

What class of people are they, now, who walk about Johannesburg and without work?—I think they are more of the more artisan class.

It is a certain fact that really competent men are scarce?—In my opinion competent miners are scarce. The State Mining Engineer should know almost as well as I do.

Mr. *Brakhan.*

Percentage of freight on working costs.

Am I to understand from you that the books at the mine, or the books of the company show to no material extent the railage, that is to say, the cost which really goes to the railway company on all the various articles used?—In hardly one particular case.

Then I am to understand from you that the cost actually paid to the railway does not so much come from the mine, but from the merchants who supply the various machinery, wood, and various other plant and stores?—Yes.

Therefore if the mines were to compile out of the books the amount of freight paid direct to the railway company this would give no idea whatever of the situation?—None whatever.

In other words, the amount of material, whatever it might be, imported direct by the company is a very small one?—Very small. Coal, for instance, is delivered at a contract price; it is delivered at the different works at a fixed price, and we are not informed how much it cost per mile to carry it.

Reduction of native wages.

You have informed us that the mine managers have advised the Boards to reduce the kaffir wages by one-third. Has that advice come from all the

managers along the reef?—In the first place the Council of the Mine Managers' Association unanimouslv decided that it was an opportune time that the reduction should take place. It was then brought before the Chamber of Mines, Association of Mines, and the Rand Native Supply Association, and a meeting was held and a committee formed. At the same time the mine managers had a general meeting, at which it was unanimously decided that the time was opportune that the reduction should take place, and that the reduction should be 33 per cent.

It has not come to your knowledge that any mine managers who were not present at that general meeting, hold a different opinion?—I have heard that is so.

Supply of nativ labour.

Can you inform us whether the good supply of black labour on the Witwatersrand is general?—I think it depends to a large extent upon the locality and upon the compound management. I think, at the present time, the central part of the Rand has more natives than it requires. I have heard that the outside districts are short, but I cannot understand how this can be when the Native Supply Association informs us they have natives on hand whom no one wants.

Is it not a fact that kafirs are at times unwilling to go to certain parts of the Rand—in fact, I may say insist on coming to the centre part?—I should think it is largely a question of management.

Quality of nativ labour.

What is your opinion as to the quality of the native labour which is general here—I speak more especially with regard to drill boys?—In my experience, they are very inferior to what they were six or seven years ago.

In other words, boys who used to work formerly here do not come back in such big proportion, or the demands of the industry are so much greater?—I think many of the boys have become demoralised by the high wages which they receive. I have boys working in my compound who did twice the work for 25s. a calendar month, eight years ago, which they do now for £3.

In other words, the boys know they are to some extent masters of the situation?—They may think so, but I cannot admit they know it for a fact.

Wages at Pi grims' Rest.

Are not lower wages paid to natives in other districts—Pilgrim's Rest—than on the Rand?—The latest information is that in Pilgrim's Rest wages are about equal to what they are here, if not higher.

With regard to Barberton?—I cannot say.

Drill boys.

Is the number of skilled drill boys very limited?—I don't think it is a question of skill so much as unwillingness to work. There is a sort of understanding that in the hard rock their work for the day should be one hole approximately 3 feet deep, and that is so rooted in their minds that if a shift boss or mine foreman or manager tries to get any more he loses his boys, because they will go at once to mines where such labour is scarce.

Native location

Can you suggest any plan by which a permanent supply could be relied upon for the Rand, skilled principally?—The only way is to give natives facilities for family life. We do it to a certain extent on the George Goch, and we get into considerable trouble for doing it. We have a location upon our lower claims, and I have boys who have their wives and families, who have been working at the mine for the last eight years. If locations could be established somewhere in the neighbourhood of the mines—within walking distance—so that the natives could bring down their wives and families, I think you would have a far greater supply than you require.

Compound ma agement.

I notice in your evidence you put native pay per month at £3. I think the other mines' average is a higher one. You also say you have a good supply of boys. Do you attribute these two points to the fact that you have a small location?—I attribute it to that, and to the fact that we give considerable attention to our compound management.

Mr. Sydney Jenning's evidence.

MR. SYDNEY J. JENNINGS, General Manager of the Crown Reef Gold Mining Company, stated he had been General Manager of the Company since the 1st September, 1896. Before then he was manager of the Crown Deep and Langlaagte Deep.

Chairman.

You know the line of enquiry the Committee is pursuing, and I would be pleased if you would give your own statement on the different points, and afterwards the Members of the Commission will put questions.

Pass Law.

Witness]. It seems to me the three chief points which affect the mines which are not on the verge of paying dividends are these. The first is native wages. We have here a most excellent law, in my opinion—namely the Pass Law—which, if properly carried out, and efficiently administered, will enable us to get complete control over our kaffir labourers. The Pass Law, as it is carried out at present, does not give any satisfaction. From the Crown Reef, where I am manager, no fewer than 1,030 kaffirs deserted since the 1st June, 1896, and it is impossible for us to trace these kaffirs. If we take a native to the Pass Office, and ask whether he has ever been registered before, it is impossible for the officials to give us any information. If every kaffir could be traced; if it could be told whether they have been registered before, or been in the service of a company, then we would have control over them. We can get kaffirs here from other places on a contract for twelve months, but they work for only two weeks and then leave, and it is impossible for us to find them. We have another law, which is a very good one, viz., the Liquor Law. When this law was first enforced, in January and February, we received great benefit from it, in that the kaffirs were never drunk, or suffering from the effects of drink, and consequently worked their full week, and did better work than at the present time. The Liquor Law is not enforced now, or the keepers of eating-houses, or dealers in drink think it will not be enforced, consequently the kaffirs now get, freely and openly, drink of the most vile compounds, and this makes them so that they cannot work as well as before. I have a list here which shows that the total sum paid in wages to kaffirs at the Crown Reef during 1896, amounts to £63,902, 6s. 1d., and this is about 24 per cent. of the total costs of the work. Then the cost of supplying the kaffirs with food was £12,503 for the same year, and this is nearly 1s. 3d. per ton, or 4½ per cent. of the total cost. Therefore, the native labour and native food amounted to 2s. 10d. per shift. If the Pass Law were properly and efficiently administered, and the Liquor Law likewise, we could reduce this to 1s. 6d. per shift. Again, if we had complete control over the native labour, we could teach the kaffirs to do all lower forms of work that are now done by white men. By these reductions other mines would be brought into operation, and more white men of greater skill would come into the country. The lower classes of labour, mostly unskilled, would be done by kaffirs. This would be a permanent benefit to the country in many directions. You would have more mines at work; you would cause more goods to be carried over the railroad, and the man who had invested his money in the mines would receive greater dividends. The second point is the cost of coal. The Crown Reef paid last year £25,909, 14s., which amounts to 2s. 7¼d. per ton. I am informed that we pay an average of 19s. per ton for coal I am informed, but I don't know it of my own knowledge, that of that amount 9s. is carriage, or not quite one half. Therefore, if the carriage is reduced to a figure at which a great many think it possible to carry coal, it should be reduced by 6s. per ton, or, on our expenses, about one-third of our coal bill, or 10d. per ton working costs. The third point is dynamite. The Crown Reef spent on dynamite last year £24,225, which amounts to 2s. 5d. per ton, or 9 per cent of the total cost. Having had considerable experience in dynamite, I should say that dynamite

Liquor Law.

Native wages.

Coal.

Dynamite.

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Mining costs.

Salaries of Whites.

White wages.

Chairman.

What is the dividend paid by the Crown Reef?—We paid 140 per cent. on our capital, and in that connection I would like to make a statement. The capital of the Crown Reef is only £120,000. The total expenses of equipping and developing the mine in such a way that it is possible to pay dividends, was £480,000 odd. Therefore, the 140 per cent. dividend on £120,000 capital is only about 35 per cent. on the money spent in equipping it.

Dividends o Crown Reef.

Capital of Crow Reef.

As regards kaffir labour, there is no difficulty in getting a sufficient supply?—There is no difficulty if we can keep those we get.

Supply of nativ labour.

Your remedy for that is that the Liquor Law be properly carried out, and also the Pass Law?—Yes.

As regards white labour, have you any difficulty in getting skilled white labour?—It is very difficult to get skilled white labour.

Scarcity o skilled whi labour.

Have you had any occasion to dismiss white labourers lately?—Yes.

Can you tell us how many and why?—About four or five, who have got sick or gone home, or wanted to go home to England.

Have you got any great trouble about stealing amalgam?—Not to my knowledge.

Is there any general complaint about I.G.B.?—Yes, the complaint is very great. It has been shown in the case of the City and Suburban that an organised gang of thieves has been at work, which, in that case, stole a large quantity of amalgam, and it is fair to assume that that is not the only company.

Gold thefts.

Is it not possible to improve the labour conditions by importing better machinery?—That has been done to the very highest extent by the Crown Reef Company.

Improved mach inery.

Mr. *Smit.*

Has your company ever participated in any effort to import white labour?—No, not to my knowledge.

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Is there any complaint about the quality of the dynamite made in this country?—Not that I have heard of. Not in my mine.

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Quality of dyn mite.

You work with dynamite?—We do not use dynamite at all. We use blasting gelatine.

Is it also manufactured here?—That I do not know.

Do you know where you get it from?—We buy it from the Explosives Company.

You have worked with different kinds of dynamite before in other countries. Is there any appreciable difference between these and that you work with now?—There is a large difference in the effect of blasting gelatine and dynamite.

You have worked with gelatine in different countries, you say. Is there any difference in the quality of the stuff you used there and the stuff you use here?—No.

Mr. *Schmitz-Dumont.*

Wages of married and unmarried miners.

Do you think that an unmarried miner gets a wage which enables him to live very well?—He gets a wage that if he is really single, that is living here without a wife, enables him to live well.

And how about the married miner?—It is very difficult for him to make both ends meet.

You have a lot of experience of the compound system in Kimberley?—Yes.

Compound system.

Would you think it would be advisable to apply the same here?—Taking all considerations, the commercial community and the good of the land into consideration, I should say no. We could get sufficient control over the kaffirs if the Pass Law was efficiently administered, without the compound system.

Native locations.

And how about establishing kaffir locations along the Rand?—I say it would be a most excellent idea if the sale of liquor in the locations was absolutely prohibited, and no licences were allowed for the sale of anything for a long distance round, so that there would be no possibility or pretext whatever of introducing drink.

I think you have experience of mining in America?—Yes.

Cost of dynamite in America.

Can you tell us the cost of dynamite there?—In the Alaska Treadwell and Alaska Mexican mines, which are very large concerns, the dynamite costs 15·3 cents per lb. (about 7½d. per lb.) That would amount to about 26s. per case.

Is that a quality which equals No. 1 sold here at 85s.?—That equals No. 1 sold here at 85s.

You mean to say it has the same power?—It has the same power.

Mr. *Brochon.*

Wages of unmarried miners.

You think a single man can live very well here with the salary he gets; can you tell us what he has to pay for his board and lodging?—It all depends on where he lodges. The average board on the mine is £5 10s. per month, I should say, but most of the mines furnish skilled men with quarters free, although some charge 10s. per month.

Is that all the expense?—He would have to clothe himself and he would have to have some amusement I suppose.

His salary we will take as your average, for the miner it will be about £20. You told us he paid £5 10s. for his board and 10s. for lodging, that makes £6. That leaves him £14 out of which he has to pay for clothes. How much do you think that might be?—I would think about £5 per month. I am merely estimating how much, but of course a miner could tell you with more accuracy than I could.

How much do you think he saves a month?—I should say about eight or nine pounds.

Wages of married miners.

When a man is married the mines do not give him free lodging?—No, not as a rule.

So he has naturally large expenses?—Yes.

How much do you think he has to pay?—About £3 or £4 per month for three rooms and a kitchen.

And food for himself and his family, how much would that be?—Well, it would depend upon how many children he has, and how good a manager his wife is. I should say about £11 or £12 per month.

So a married man has very little to save?—He has nothing, I should say. That is if he has only £20.

Margin for saving.

Mr. Jennings was thanked by the Chairman.

Mr. JAMES PERCY FITZPATRICK, the next witness called, said that he was an employé of Messrs. Eckstein & Co.

Mr. Fitzpatrick's evidence.

Chairman.

By this time you know what are the objects of the Commission, and that it has been the rule for witnesses first to give their statement of the case and then to answer any questions.—Yes. I have not written a statement but I shall deal with the whole subject.

How long have you been in Johannesburg?—I have been in Johannesburg continuously for the last five years.

And before that?—I was away for a little time. I was several years in Barberton, and prior to that at Pilgrim's Rest and Lydenburg. I have been in the country since 1884. In order to make the position clear, I would like to follow on the lines taken by other witnesses, going first into the working costs of the company.

If you have perused the other evidence which has been given, you will understand that it will not be necessary to repeat it. If you can confirm what Mr. Albu or what Mr. Hay has stated you may just simply say so.—It was my intention to take the different items, and, where possible, to say simply that I endorse the statements made, and where I think the statements are not sufficiently full to give other details. I take the proportion of mining costs to be as follows:—White labour, 28 per cent. of the total; black labour, 23 per cent.; explosives, 10 per cent.; and coal, 8 per cent.; these are the principal items. The 31 per cent. remaining is made up of materials, office expenses, chemicals, and many other little outlays, which, I think, the professional witnesses will deal with in detail. The white labour, making up 28 per cent., I don't think it would be possible to reduce much at present, and I think that the reason is that the cost of living for the white miner is very high. I know that the wages are in favour of the single man—that is, that the single man can save money, whereas the married man with a wife and two children cannot. In order to deal with the question, I have got an estimate from two men whom I believe to be thoroughly honest. I take it this way. The average day of a white miner is 16s. or 20s. a shift.

Percentages of costs of mines.

Reduction of white wages not now feasible owing to cost of living.

Average daily wage of white miner.

Mr. *Hugo.*

How many working hours?—Eight hours. According to one estimate I find that, all details being given, the cost of living for a white married miner amount to £18 17s. 6d. per month. That makes no allowance for life insurance, education of children, smoking, drink, amusements, native servant, newspapers, books, or cost of coming to this country. That is for a man with a wife and two children coming from England. Food and clothes, you will see, come to nearly double, and house-rent to five times what they pay in Europe. In face of these conditions, most married men leave their wives and families in England and on the Continent; and, although they may appear to be saving money, this is not the case, as they have to continuously remit money to their wives. Another estimate brings out the cost at £20. I think

Average number of working hours per day of white miner

Average cost of living for white married miner

Comparative cost of living in England and on Rand.

Families of married miners often in Europe.

that practical miners would be able to throw more light upon the subject, and they will be here to give you information. With that I will leave the white labour question. As regards the black labour, an arrangement was come to last week, whereby it was agreed to reduce the black labour by 30 per cent. We have a considerable number of kaffirs here just at present, and I think the reduction can be accomplished. I consider that the cause of the number of kaffirs being here just now is largely due to the bad times, and to the closing down of certain mines. I hope that we shall be able to maintain the supply, but unless we get that help in the proper carrying out of the Pass Law, the Liquor Law, and get those general facilities the Government is able to give, I am afraid we shall have again a shortness, and that we shall suffer. About the Pass Law, others have already spoken. I can only say that it is a very good law badly carried out. Of course, it is a difficult law, but what we wish to point out is, that the points that we had in view, such as desertion, are exactly the points on which the law has failed. For instance, the Robinson Company, since the law has been brought into operation, had over 1,600 boys desert from their service, and not a single one had been re-captured. I will leave the Pass Law now, as I do not think there is very much more to say, and other witnesses will speak on the point, so that I will not take up your time unnecessarily.

Native labour.

30 per cent. reduction of native wages.

Present supply of native labour.

Pass Law.

Pass Law is good but the administration bad.

Desertion.

The next thing is the Liquor Law, because it is in connection with the kaffir labour question. I have here numerous complaints sent in by the various Companies regarding drunkenness amongst the kaffirs, which I will hand in if you like.

The Liquor Law.

The *Chairman.*

Yes, please, let us have them.—The Jumpers advise that the sale of liquor to natives was going on in the most barefaced manner out there, and gangs of boys were being continually met in a helpless state of intoxication, and so far the detectives had done nothing. The New Heriot advised in the same way, and the Robinson Gold Mining Company wrote exactly similar. They say that the kaffirs have little difficulty in obtaining liquor from the canteens and illicit hawkers, and unless steps are taken to put down this trade, they will lose all the advantages they thought they would gain by the law. I have been favoured by the Consolidated Investment Company with a statement from the Rietfontein Company of what goes on there. They say that native labour is plentiful, but the sale of liquor is in full swing. They have reported the fact to the Landdrost, but no relief had been afforded. Mr. De Roos, of the Worcester Company, writes that nothing has been done to check the illicit sale of liquor, which is more rampant than ever. Boys can be seen in squads drunk, and carrying liquor openly through the streets. On the 8th of March, 300 of our boys were drunk and incapable, and the liquor was mostly supplied by the bars. The Good Luck Bar, situated next to the Robinson G. M. Co., is notorious, and this can be said directly of nearly all the bars in the vicinity, and indirectly of the kaffir eating-houses. I think the Sanitary Board should take the matter in hand, and licence the eating-houses so as to get them under control. While they are allowed to carry on this nefarious business, it will be hopeless for us to come out satisfactorily in our kaffir labour.

Illicit sale of liquor at Jumpers Mine

Inefficiency of detectives.

Illicit sale of liquor at New Heriot and Robinson mines.

Illicit sale of liquor at New Rietfontein Mine.

Illicit sale of liquor at Worcester Mine.

Illicit sale of liquor at the Robinson Mine

Illicit sale of liquor and kaffir eating houses.

Mr. De Roos also says that he has written to Commandant Van Dam on the subject. The letter to Commandant Van Dam names certain bars here. The Wiltshire Bar, just below the Ferreira, the Princess Bar, near our mine, do a roaring trade. "There are kaffir eating-houses in the neighbourhood, and most of them sell liquor; one in particular near the Oliver Mill, on the Booysen's road, is doing an extensive illicit business. And so are the bars at Ophirton. I shall be pleased to give any assistance in trapping the offenders, but I think it will be better to employ your own

Letter of Mr. de Roos to Commandant van Dam regarding illicit sale of liquor.

traps. However, just as you please. I confidently hope you will give this matter your serious and early attention, as our work is greatly hindered by the drunkenness of the natives."

The Minerva Company also writes to say that although the boys do not get drunk on this property, they appear to have discovered that it is obtainable in Johannesburg, and at the end of the week they clear out in considerable numbers to that place, notwithstanding the Pass Law, and that it is in a different district. "On Monday morning I was forty of my hammer boys short from this cause."

Illicit sale of liquor in Johannesburg.

There is a letter from the Wolhuter Company complaining of the same:—"Illicit liquor traffic has been prevalent on our property, and interferes with native labour."

Illicit sale of liquor at Wolhuter Mine.

There is one also from the City and Suburban, but it is followed up by the statement that the police have taken up the case complained of, and have closed the Grahamstown Bar. I think I have said enough regarding the Liquor Law.

Illicit sale of liquor at City and Suburban Mine.

Closure of Grahamstown bar by the police.

I come now to the question of gold thefts—I.G.B. I don't think I need take up the time of the Commission very long. I think the case just finished exemplifies fairly well the difficulties we have to deal with. I don't feel justified in making any estimate as to the quantity of gold stolen, because I haven't the least indication to go upon, and I don't think it possible to make an estimate. It may be one per cent. and it may be 10 per cent. But it is a perfect certainty that there is I.G.B. going on. It is notorious that there are a number of persons nominally engaged in the watchmaking and jewellery business, but who are doing a much better business than their capital and apparent energy warrant. They sit still all day, and yet prosper exceedingly. The President of the Chamber of Mines, I may say, has received letters on the subject repeatedly, but, of course, such letters do not give absolute evidence. We do the best we can, but there are very serious difficulties in the way of detection. In the City and Suburban case, just tried in the Circuit Court, we were told beforehand that there was practically no fear of a conviction, because the operators had arranged matters. I don't mean that they had arranged with the higher officials; but that they said they were in with the police. I cannot tell you if that was true or not; I only give you what they said; but in view of the developments of the case, I think they were justified in their boast. It seems hard when private individuals do all the work, spend their money, and even risk their lives, as I think the Battery Manager of the City and Suburban has risked his life, in order to supplement the work of the department, to find that all their labour has been thrown away. It is very, very discouraging. Now, in these three matters, the Pass Law, the Liquor Law, and the gold thefts, the suggestion has been made that the Government should constitute a local board—some board or permanent Commission in which you could enlist the intelligence, the interests, and the energies of the people who desire to protect themselves. There is absolutely no idea of assuming any part of the duty or to trench upon the privileges of Government in this suggestion; but we do think that where our interests are so much concerned, and where it is our business to understand every detail, we could do good work in carrying out the laws which the Government has given us. And I would like to say that the Pass Law and the Liquor Law are very good laws, only they want good administration. I don't think that there is any other question in this but that of good administration. I put it to you this way. If you want a house built, you employ a mason; and when you want an industry properly managed which calls for the highest training and intelligence, I think the abilities of the people ought to be made use of, and I think it would help the Government quite as much as it would help us. I must make one other allusion here to the Pass Law; and that is that the Pass Law is very complicated. By it a department was created which really requires at its head a man with a great capacity for organisation and

Gold thefts.

Amount of gold stolen impossible to estimate.

Difficulty of detecting gold thefts.

Alleged collusion of police with City and Suburban gold thefts.

Discouragement of private persons who assist the police in detecting gold thefts.

Local Board representing the mining interests advisable for administration of matters regarding the Pass and Liquor laws, and gold thefts.

Pass and Liquor laws are good laws but the administration is bad.

Complexity of Pass Law.

Inefficiency of the head of the Pass Law administration.

Able men required for local board.

management, a man with plenty of tact and judgment. When we made the suggestion of this Pass Law, we did hope that we should have a really competent man at the head of its administration, but the appointment was filled up and these hopes were not realised. Well, gentlemen, if you should be able to recommend to Government the establishment of such a board as has been suggested I do hope that you will also be able to recommend the appointment of men who will secure good administration. The best of laws is no good to us if it is not carried out properly.

Dynamite.

Dynamite concession — Report of Raad.

Commission on dynamite.

Government required to cancel dynamite concession.

Difficulty of proving specific misdeeds of dynamite and railway monopolists.

Right of Government to demand a full account of their business from dynamite and railway monopolists.

Nobel's offer to sell dynamite free in bond at Johannesburg at 40s. per case

Price of dynamite at the commencement of this year, free on board at Hamburg.

Charges on dynamite from Hamburg to Johannesburg.

Alleged interview with Dr. Leyds in the Paris *Temps* regarding dynamite.

Alleged proposed contract between Chamber of Mines and Nobel's for dynamite at 90s. per case.

Next I come to the dynamite question. The position of the dynamite question appears to us to be exceedingly simple. A certain concession was granted. A Raad Commission reported to the Government that its terms were not being carried out. The Government have the right to cancel that concession, and we ask them to exercise their right. We put it to the Government that it is not only their right to cancel it, but that it is even good policy and also their clear duty to do so. Going into the figures in connection with dynamite and the railway, I would like to point out to you one of our difficulties. *The onus is thrown on us of showing what these two monopolies are doing.* With infinite difficulty we get hold of many of the details. There may be trifling inaccuracies, but we know that we have got at the principle of it. We know that the representatives of the monopolies will have an opportunity of criticising the evidence we give, and it is quite right that they should. But they will speak with an intimate knowledge, and we can only quote what we have discovered by our energies *in the face of every obstacle and difficulty deliberately placed in our way.* Why I think this is *a wrong position is because Government has the right to call upon the two monopolies to expose the whole of their business to the full light of public criticism.* Government can compel the dynamite agents to show how much dynamite they are making (if indeed they are making any at all), what the materials cost them, and what the dynamite, blasting gelatine, or whatever it is, actually costs them free on board at Hamburg; and whether, when they say it costs them 40s., it is not a fact that Nobel makes it at 18s. 6d. in Hamburg and charges Nobel in Johannesburg 40s. for it, and calls that the cost price. Now it is *in the power of the Government* to make them produce that evidence. I must remind you that when Nobel was fighting Mr. Lippert and trying to get a market for his goods, he offered to sell—bound himself in fact to sell—down to 40s. a case, and reserved to himself the right to sell under 40s.; and I don't think he would have reserved that right, if he could not have done it with advantage. That price was for dynamite in bond in Johannesburg without the duty. And I will tell you why he could do it. At the beginning of this year, dynamite was selling free on board at Hamburg at £43 per ton, which is equal to 21s. 6d. a case. Ocean freight is 4s., landing charges 6d. a case at Port Elizabeth, agency 6d., Colonial duty 2s. 1d., railage 4s., which brought it up to 32s. 7d. a case, and in that price Nobel had made his European profit. I must also in this connection refer to the alleged interview with Dr. Leyds in the Paris *Temps.*

Chairman.

We want simply local information.

Witness.] I will leave out Dr. Leyds then, and put it this way. A statement has been made then in a foreign newspaper that the Chamber of Mines was ready four years ago to enter into a contract with Nobel for 16 years for the delivery of dynamite at 90s. per case. That is perfectly true, and the explanation is this: that whereas Mr. Lippert was selling us dynamite at 90s., and the Government was only getting 5s., Mr. Nobel was going to sell us dynamite at 52s., and the Government were going to get 38s., and if the contract had been made, the Government would have

made about £1,200,000 in duty during the past four years instead of, say, £150,000. If these figures are too vague I will undertake that the Chamber of Mines will give you the exact calculations, within a few pounds. I think it is a very great pity that statements like that should be made without quoting the facts which put the truthful complexion on them.

Mr. *de Beer.*

You have introduced a statement which the Commission know nothing of. They have no evidence of it, and the Commission would not be influenced by a newspaper statement, but only by evidence.—I do not mean to insinuate that the Commission would be influenced by this information, but we should have the right to refute a misstatement. Now, in looking at the dynamite, and also at other things, I do not think it is right to calculate, as an argument to the Government, how much the cancellation of the monopoly would benefit us. I go back to the point that the Government have certain rights and duties. I do not suggest to the Government to ignore anybody else's rights, no matter how obtained, but these people have also certain responsibilities. They have failed to carry out these responsibilities, and the Government have the right to cancel that monopoly. We only ask them to exercise that right. I think we might ask that of them, even if it did not benefit us at all, but just fairly to hold people to their contract. There is a great deal of ancient history in the dynamite question which would be interesting to the Commission, but I think we can safely deal with it simply as a fact. It is not necessary now to go into the question of how the dynamite monopoly was created. I would rather deal with the practical question.

Failure of concessionaires to carry out dynamite contract.

Right of Government to cancel dynamite contract.

Request to Government to exercise right of cancellation.

Chairman.

What the Commission want to know is the cost of dynamite here at present, what price can it be landed at here, and how far this price for which dynamite can be sold would influence the cheaper working of the mines?—Certainly. I have given you one set of figures which I think is the most effective, because they are the figures of the same people when they were playing a different game, and to the best of my belief they represent the price at which dynamite monopolists get their dynamite here. Of course I do not believe that if they attempted to *manufacture* dynamite they could make it for 32s. 7d. In the first place, I believe their raw materials will make up about three times as much weight and bulk as the manufactured article, and in that connection they would suffer from railway charges the same as we do. We have an offer from an American firm of manufacturers guaranteeing the same efficiency in the dynamite as that which we call No. 1. I keep No. 1 as a standard. If we talk about blasting gelatine, all the figures will have to be proportionately raised. It will prevent confusion to stick to No. 1. We can deliver No. 1 from San Francisco, of the same quality as obtained here, at 37s. 6d.; and if we had called for tenders a fortnight earlier than we did, we could have obtained it at one penny per lb. cheaper, because lately they decided to increase the price by that much. Had we obtained it one penny cheaper, it would have reduced the price to 33s. 4d. per case, whereas, as I have said, we now quote 37s. 6d. From an average of the working costs of some of the principal mines, taking the same analysis that I gave you at the beginning, the cost of explosives to us comes to 2s. 11½d. per ton. If we had free trade, we would save on explosives alone, 1s. 9d. per ton on the working costs, that is assuming that the working cost is 29s. 6d. per ton. If the old duty, which we agreed to pay some three or four years ago, were put into force on top of the price I have quoted, the Government would make about £500,000 sterling per annum instead of about £60,000. I think the duty we undertook to pay was 8½d. per lb., together

What is present price of dynamite.

How would reduction of cost of dynamite lessen working costs of mines.

Price of dynamite manufactured in Transvaal.

Price of No 1 dynamite imported.

Average percentage of cost of explosives on working costs.

Percentage of working costs to be possibly saved in reducing cost of explosives.

Comparision of revenue accruing to Govern-

ment through duty on explosives formerly agreed to, and actual duty.

Cost of dynamite monopoly to Rand Mines group in 1896.

with 7½ per cent. *ad valorem*. This duty would come to about 38s. or 40s. per case. I might draw your attention to a statement in the Rand Mines Annual Report, which illustrates how this comes home to the companies. The dynamite monopoly last year cost the subsidiary companies of the Rand Mines £54,000 for plunder alone. Of course, it will be considerably more as the companies get fully to work. There was only one company actually milling during the time I speak of. Just think over that illustration.

Mr *de Beer*.

Do you speak of only one group, namely, the Rand Mines group ?—I am only speaking of the companies I know well. I am perfectly ready to give the Commission all names and references. The £54,000 refers to the subsidiary companies of the Rand Mines. Now, for the next item, I will take you, gentlemen, to coal. Coal costs at the pit's mouth—that is the price at which the companies sell it—about 9s. to 9s. 6d. per ton. I have taken coal separately, that is apart from the rest of the railway expenses, because it is a big item in mining expenses, to which we can trace the exact proportion of working costs. We suggest to the Commission that coal should be carried at the lowest possible rate, and that every facility should be given to the mining companies for cheap delivery. When we complain that an average of 100 per cent. is put on coal between the time it leaves the pit mouth and reaches the bunkers of the mining companies, we do not mean to say that the N.Z.A.S.M. takes all that money. They impose very heavy tariff and heavy terminal charges, but there are a great many items of costs which do not profit the N.Z.A.S.M. at all. We want more facilities, and the Netherlands Company will have to give up a portion of its revenue for a time, and to foster and encourage the mining companies, and presently by increased carriage, because of cheaper rates, they will find their revenue brought up to the present standard. We consider that we should have coal delivered at an average cost of from 12s. to 13s. per ton instead of from 19s. to 20s., which is, so far as we can ascertain, the present average cost of coal per ton delivered on the mines. If we had our carriage reduced to the rate I have suggested, I believe it would be a saving of about 10d. per ton in our working cost. Now, those two items together, dynamite and coal, if reduced, would make a total saving in the working expenses of about 2s. 7d. per ton. The question has been discussed as to whether in the event of the dynamite and coal being reduced, companies could work at a profit—that is an increased profit for those companies now working, and the difference between profit and loss to those companies who are not working or are about to shut down. In my opinion, this saving of 2s. 7d., which, with the fractions will be 2s. 8d., in the working expenses will not make much difference, for we have to go further into matters and not deal with the mere questions of dynamite and coal, and for that reason I will give the Commission more figures on other points. But, before proceeding to go into other matters, I will give you an idea of what difference that 2s. 8d. would mean to certain companies. There is a long list of them, which I hand you.

Coal.

Price of coal at pit's mouth.

Charges on coal before delivery

Share of Netherlands Railway in coal charges

More facilities required for delivery of coal

Loss of Netherlands Railway only temporary by reduction of coal charges.

Delivery prices of coal per ton, possible and actual.

Probable saving in percentage of working costs by reduction in price of coal.

Total saving in percentage of working costs by re-duction in coal and dynamite.

Value of reductions on coal and dynamite in percentages to certain paying and non-paying companies.

Company.	Tons crushed in 1896.	Issued Capital 000 omitted.	Additional Dividend possible in the case of a reduction in the working costs per ton of	No. of months crushing*
		£	2s. 8d.	
Crown Reef	198,236	120	21·98	12
Durban Roodepoort	109,735	125	12·00	12
Ferreira	120,772	90	17·32	12
Ginsberg	21,529	152½	1·74	12
Henry Nourse	92,143	125	9·32	12

Company.	Tons crushed in 1896.	Issued Capital 000 omitted. £	Additional Dividend possible in the case of a reduction in the working costs per ton of 2s. 8d.	No. of months crushing*
Johannesburg Pioneer	33,194	21	21·32	12
New Heriot	92,799	112	10·66	12
Nigel	27,449	200	2·66	12
Princess	42,339	165	3·33	12
Robinson	177,500	2,750	·88	12
Simmer & Jack	156,930	4,700	·45	12
Wemmer	74,945	80	12·48	12
Worcester	43,293	937	6·16	12
Champ d'Or	55,808	128½	5·79	12
City & Suburban	202,850	1,360	2·66	12
Geldenhuis Estate	178,439	200	12·00	12
Geldenhuis Main Reef	35,018	150	3·09	12
George Goch	103,515	325	4·16	12
Glencairn	87,275	225	6·90	9
Jubilee	59,880	50	12·40	12
Jumpers	108,720	100	14·66	12
Block B	92,773	632	1·94	12
Langlaagte Estate	236,229	470	6·69	12
Langlaagte Royal	83,689	180	10·59	7
May	130,050	275	6·67	12
Meyer & Charlton	101,397	85	12·40	12
Minerva	27,643	200	2.77	7
New Chimes	42,451	100	5.33	12
New Primrose	268,428	280	13·33	12
New Rietfontein	42,347	270	2·08	12
Salisbury	58,257	100	7·36	12
Stanhope	19,300	35	8·82	10
United Main Reef	87,226	150	7·36	12
Van Ryn	53,916	170	4·24	12
Wolhuter	139,273	835	2·21	12
Kleinfontein	7,132	185	3·04	2
Porges Randfontein	21,763	437½	1·60	5
Bonanza	19,652	200	2·92	5
Geldenhuis Deep	144,059	280	6·85	12
Langlaagte Star	29,533	240	2·67	7
New Comet	44,844	225	4·00	8
New Crœsus	69,289	500	2·21	10
New Midas	19,083	150	2·88	7
Modderfontein	60,000	900	1·69	7
Roodepoort (Kimberley)	23,551	125	3·73	8
Roodepoort Deep	39,445	180	3·50	10
Treasury	55,228	540	1·81	9
Total	3,938,928.			

Two or three other companies crushed small quantities in 1896, bringing the total ore crushed to 4,000,000 tons.

*All dividends are reckoned on twelve months' milling.

Many of the companies on the list pay no dividends at all at present. When I say in one breath what increase of dividends the saving would mean for the company, and in the next that it is not enough, the explanation is this:—Where in this list a great

dividend is shewn it means that the company has a small capital, and the shares are at high premiums, so that the dividend on the capital is nominally big. The result to the shareholders is not nearly so large as you would imagine at first sight, judging by the figures. The unalterable bedrock fact is that the two items I mentioned would mean a saving to the companies of 2s. 8d. per ton on their working expenses.

Railway rates.

The next item bearing on the cost is the railway charges. I would like to take the Netherlands Railway, first dealing with the rates, then referring to classification and the want of facilities, and then the profits. I have to refer again, first of all, to the tariff on coal: I take the Geldenhuis Deep. The transport on coal, including the charges, is 3½d. It is a little over the 3½d., the figures being 3·58d. per ton per mile, on the top of which there is a charge of 1 per cent. for keeping acccounts. The rate in England over an equal distance on the Barry Railway is a little over ½d. a ton per mile, so that if the English charges had prevailed instead of the Netherlands' charges, it would have made a difference of 5s 8½d. per ton of coal, or nearly 1s. per ton on the ore milled by the Company. The Commission will remember that that is a little bit higher than the average of all the companies. That would have paid 2½ per cent. dividend on the capital of the Company. The exact figures are, from the Cassel Collieries to the Geldenhuis Deep, 7s. 5½d. The same distance carried under the same conditions in South Wales is charged at 1s. 9d. The N.Z.A.S.M. charge per mile is 3½d. per ton, and the other is about ¾d. The actual cost of carrying the coal cannot be more than ¼d. per ton per mile, and it is a fact that under the agreement between the Free State and the Cape Colony they carry the coal for departmental purposes at *one-seventh of a penny* per ton per mile, which the Cape Colony and the Free State consider to be just about cost price. I don't want to take up the time of the Commission with a great number of instances in connection with the rates; but I will quote one—about the worst—the rough goods rate from Vereeniging to Johannesburg, which, I believe, for the distance and conditions, is absolutely a world's record. It is 7·7d. per ton per mile. That includes, I think, the cost of lading. The Cape rate for the same class is 1⅓ per ton per mile. The Free State rate is the same as that of the Cape Colony. The Natal rate is very nearly 2d. The Portuguese rate is 2½d. The Z.A.S.M. rate from Natal is 3¼d., and the Z.A.S.M. rate from Delagoa Bay is 2½d. So that the highest rate charged anywhere else, even by the Z.A.S.M., is not half the rate from Vereeniging to Johannesburg. I wish to lay a great deal of stress on that fact, because that little distance should bring down the rates tremendously. What is so curious about that tariff, is that, if you load up a thing at Vereeniging, and bring it on to Johannesburg, when they have double terminals, the rates are from 3d. up to 6d., but when they have no trouble and a through rate, the carriage is 7¾d. It really comes down to this, that the Netherlands Company do about from six to seven per cent. of the work, and they take from 24 to 25 per cent. of the money. If they would charge the same rates as the Cape Colony, the through rates from the Cape ports would be reduced by 18 per cent. straight away. To quote one or two samples of how the heavy rates work out, I may say they tell most on timber. The article that the tariff tells next heavily on is machinery, so that it presses and tells more on the equipment of a company than on the actual working cost. I will give you a few examples of importations from the Baltic and America. I will give you the prime cost and the railage from Delagoa Bay, showing the comparison between the cost and the railage, which you will see supports my contentions as to the excessive rates. We will take pitch pine. The prime cost of a consignment was £1,722. The railage amounted to £7,234. Oregon pine, prime cost £2,988; railage from Delagoa Bay £14,500. Baltic deals cost £2,679; railage £4,170. Galvanized iron cost £253; railage £210. I will give you some instances where the difference is smaller. Sheet lead £61 10s.; railage £40. Cotton waste, prime cost £92; railage £32 15s. Candles

Railway rates on Coal.

Comparison of charge of Netherlands Railway on coal transport to Geldenhuis Deep Mine per ton per mile and English Railway coal freight.

Railway rates on coal carried for departmental purposes in Orange Free State and Cape Colony.

Netherlands Railway rate for rough goods from Vereeniging to Johannesburg

Rates of Cape Railway for rough goods.

Orange Free State, Natal, and Portuguese rates, and Netherlands Railway rates from Natal and Delagoa Bay for rough goods.

Comparison of through and terminal rates from Vereeniging to Johannesburg.

Railway rates from Delagoa Bay on timber and machinery

Expenses of mine equipment.

Railway rates from Delagoa Bay of consignments of galvanised iron, sheet lead and candles.

(very largely used on the mines) £1,337; railage £313. There are others, but I will hand in the statement to the Commission if they like. Those figures are American. There is another statement showing the cost of Australian material. On a first cost of £1,855, the railage from Durban was £4,100. The expense is considerably added to by wrong classification. For instance, steel plates and angle iron, taking one particular lot, were charged exactly the same rate as a steam regulator, which is a very delicate instrument, and which only weighs 400-lbs. The steel plates are only worth 10s. 7d. per 100-lbs. and the other is worth £7 15s. per 100-lbs., yet they are charged at the same rate. Another thing is that there is no allowance made for large lots. The same rate, for instance, is charged for 300-lbs. of rails as for 30 tons, but there is no doubt it is more economical for the Company to handle them in one lot than in 20 lots. Now there are other charges which we consider unnecessary charges and particularly heavy. Many of these charges come in and they do not show in the rate. They add to our costs, and we never see it in the rate. For instance, at the Geldenhuis Deep, 4s. a truck is charged for bringing the trucks and taking them away. In other countries it is done for less than 1s. But here there is an additional charge of 3s. 4d. to 6s. 8d. per truck for shunting, and that is not charged anywhere else at home. There is another thing. The Jumpers Company buys coal, and they are charged the full rate into Johannesburg, which is 1s. 3d. per ton more than they ought to pay for the distance. The only reason for it is that there is no official station at the Jumpers. I do not know what an official station is, but although they deliver at this un-official station direct, they charge for a journey to Johannesburg and back, which is never made. The Jumpers station is therefore official on the down journey, but un-official on the up. Then a very curious thing is that the Z.A.S.M. charges the coal companies one per cent. for keeping their accounts. It is generally considered the duty of every man to keep his own accounts. Another irritating and vexatious tax—one which adds up very much in the costs—is this. The Railway Company allows two hours for the off-loading of trucks at a siding, after which they impose a fine of 1d. per axle per hour. I can only quote what is done in England, as I have no American or Continental statistics here. In England they allow 48 hours for off-loading coal without any extra charge, and even then they do not strictly enforce it. Here the Company never takes the trucks away after the two hours nor even the same day; but if the consignees fail to off-load within two hours, they get fined just the same. It pays, you will see, to keep a man to watch for these things. Now, there doesn't seem to us to be any justification at all for that.

Comparison of prime costs and railway charges on Australian goods.

Wrong classification of goods.

No allowance made in railway charges for large lots by Netherlands Railway.

Further objectionable charges by Netherlands Railway.

Fine for delay in off-loading at sidings.

Mr. *De Beer.*

Supposing they left a wagon the whole day, would they demand the fine?—I cant say that; but it's a fact that the fine is levied. Of course, I would not know of it when they failed to charge it. If they leave the trucks through their own fault, you understand the Z.A.S.M. do not charge us; but they fine us for the time over two hours that we neglect to off-load. If we failed by four hours to off-load, they charge the fine even if they leave the trucks for another 48 hours. Here are a couple of other instances. The Herman Conglomerate Company sent a truck-load of material to the Jumpers Deep on March 17. That load is still coming. A substitute lot was ordered, and took five days to arrive at the Jumpers Deep. The same Company has an arrangement with the Cassel Coal Company to get eight trucks a week. The Cassel Company carries out the agreement, but the Railway Company very seldom brings eight trucks a week. The trucks accumulate at Elandsfontein, and the Railway Company brings on a train of twenty-four trucks at a time. The consequence is, that the work on the mine is all put out in order to off-load, and the demurrage or

charge for delay has got to be paid by the Jumpers Deep, because they cannot off-load twenty-four trucks in the time they undertake to off-load eight. There are also some very unaccommodating regulations. I will give you an instance about excess goods. People sending large consignments often send a little more than actually appears in the invoice. Sometimes an important part of machinery happens to be left out. The Railway Company weighs all that, and charges for what it actually carries; but they do not deliver the excess article. I don't say that they keep them for their own benefit, but they will not give you them, that is all. Now, the question of sidings is most important to the Companies, and the delay in obtaining permission to build them, causes the mines a great deal of trouble. The plans do not in any way give trouble to the Companies' engineers here, but still one believes that the plans must be sent to Holland. I do not say that that is so, but the time that lapses between the day on which they are sent to Pretoria, and the day on which they are returned, leaves nothing to prevent them being sent to Holland. I will give you an instance of the vexation Companies have to undergo on the question of sidings. It is in connection with the Violet Consolidated Company, a Company with which I am not in any way connected, but the information is correct, given to me by one of the directors. This Company's mine is situated two miles from Krugersdorp, and eight miles from Randfontein. They wished to put down a siding, about 1,000 yards long, at a cost of £900. The plans were approved of by the engineers of the company, but were refused by the management at Pretoria. When asked for a reason, the answer the company got was, that they could put up a platform along the main line, and the train would be allowed to stop there twenty minutes in order to off-load. Now, the company has to put up a battery of 100 stamps, and if one mortar box could be unloaded in twenty minutes it would be smart work. So it was simply impossible. Then the Railway Company said they could put down a siding, *but they would have to connect with Krugersdorp Station*, two miles distant, instead of connecting where the line passed the mine, and at a cost, according to their quotations, of £11,600. You must understand that they wanted to put down a line duplicating their line to Krugersdorp, *besides* making the siding proposed their main line. Another difficulty the mines have to contend with is the fact that we cannot get bottom discharge trucks. If we did not have to put the coal in bags we should save breaking; we should have the coal in bulk, and it would save handling at both ends, because we could get the trucks to discharge automatically. The Geldenhuis Deep and the Jumpers Deep went to a cost of, respectively, £4,000 and £2,600 to carry out this arrangement, but they could not get it to work, as the Company refused to provide or permit bottom discharge trucks. I will now give you an instance of how the cost of timber worked out on a mine. In the working shafts the timber has to be in what are called sets, which cost on the ship £2 4s. each, and on the mine £13 11s. If the Railway Company charged 1d., which is twice the American rates, the sets would have only cost £9 6s., or being a saving per set of £4 5s., or a saving on the sets put in the two shafts on the Ferreira Deep Mine of £2,000, and that only in the timber of the main shafts. I obtained from a merchant in Johannesburg a statement of the cost of furniture, which is also a factor in the men's wages. Nine cases of furniture cost £68 19s., and landed here, £128. The railage was £17 2s. 2d.; nine cases of bedsteads cost £59 13s., and landed here, £138—the railage being £34. Now comes the question of the Netherlands Company's profits. They have a capital of £1,666,660.

Regulations of Netherlands Railway as to excess goods.

Sidings.

Siding of Violet Consolidated Company.

Automatic discharge trucks disallowed by Netherlands Railway.

Cost free on board and Netherlands Railway charges on a consignment of timber

American railway rates on timber sets.

Prime cost and railway rates on a consignment of furniture.

Profits of the Netherlands Railway.

The *Chairman.*

We are all acquainted with the figures, and it will not benefit us to hear them

again. It will save time if you pass over that question. It will be a matter for us to decide.

Witness.] I cannot get at the possible saving in working cost of the mines unless I do. I will be as brief as possible. I will put it this way. Last year, over and above the working capital, and the interest on guaranteed loans, the Netherlands Company made a profit of £1,330,000, and that on a capital of £1,166,660. This, of course, includes the Government share, which is shown in the Revenue returns at about £350,000, but as far as I can see, should have been over £700,000; and I say that, by keeping up the rates, they are able to, and I think it fair to say that they do force Natal and the Cape Colony to do the same. Last year the colonies made £1,800,000 more than they ought to have done, allowing 4 per cent. on their capitals—that is, over £3,000,000 was made, and nearly all of it out of us, for although all the profits do not go to the N.Z.A.S.M., all the loss comes out of our pockets all the same. In consequence of the discussion about the railways and the protests made by the industry here, there have been some statements made in the Cape and Natal. In this matter we are entirely dependent upon the goodwill of the Government, because we as a community have no means of compelling neighbouring systems of railways to reduce rates. It has been stated by the Commissioner of Railways at the Cape that if they lost the whole of the through trade they would still make six per cent. Well, I have not got the figures to check that, but they never made five per cent. before they had this through trade, and since they felt the benefit of it they lowered the rates within the Colony, and they built lines which they did not think they were justified in building when they had to pay for it themselves. So I judge their position is not "all their fancy paints." They seem at the same time to be willing to reduce rates in a straightforward and friendly manner, if allowed to do so for our benefit. I do not think anyone can get away from the fact that nine per cent. is a monstrous profit to make, besides which they have a transit duty which this community has to pay. In connection with the Natal Railway, there was a statement made by the Commissioner of Public Works, that Natal was not so badly off as people made out, because half their tonnage was due to the internal trade of Natal. I do not care anything about the tonnage, and it doesn't matter, for it depends upon how much you pay per ton. A ton carried from Durban to Maritzburg earns very little comparatively with a ton carried from Durban to Charlestown. This is the point. Before they had their through connection, their revenue was £366,000. In the year 1896, when they got the through traffic, their revenue was £996,000, an increase of £630,000. Of this, general merchandise contributed £284,000, timber £136,000, and imported mealies £99,000. That is £500,000 out of £600,000. I think they can talk as much as they like about tonnage, but if they look at the sovereigns—we pay. All the railway systems together take about £3,000,000 more than they ought to do. I cannot say that the Transvaal trade pays for every bit of that, because we would have to see their books, but it pays for three-quarters of it. Every now and then they have meetings of the Commissioners, and the only thing they do is to congratulate each other, except when they propose, as they did the other day in Durban, to increase the rates. Well, considering that this community is paying so much of it, we would ask the Government to allow us to make some suggestions at such meetings if nothing else can be done, because it is simply crushing the business of the place, and Government will feel the result of it in the long run as surely as we are feeling it now. I have mentioned those other railways, but though they do take a great deal too much, I do not think they are free agents. It has been stated on behalf of the Cape Railways that it is only allowed certain rates on the condition that it shall maintain its transit duty. The Cape now say publicly that they are willing to reduce, but they are prevented by the Netherlands and Natal.

Government share of profits of Netherlands Railway.
Natal and Cape Colony forced to keep up railway rates by Netherlands Railway.
Profits of Natal and Cape Railways for 1896.
Mining industry dependent on goodwill of Government regarding railway rates of neighbouring States.
Position of Cape railways.
Apparent willingness of Cape railways to reduce rates
Excessive profit of Cape railways.
Transit duty.
Position of Natal Railway.
Total excessive profits of railway systems.
Excessive contribution of Transvaal trade to railway profits.
Representation of mining industry at meetings of Commissioners of railway systems demanded of Government.
Coercion of Cape and Natal Railways by Netherlands Railway so as to maintain high rates.

The Natal Government shuffles and smiles. And if you look at the rate I quoted from Vereeniging it does look like it. Natal is afraid to reduce without consent. Now, I can understand perfectly well that the Z.A.S.M., as a commercial concern, wants to make as much profit as it can—that is perfectly natural; but there is a means of checking it, and we ask the Government to take the necessary steps. There are three courses open. In the first case Government may leave the Company alone to do as it likes, and I don't think that would be in the interest of the State or the community, or any other interest except that of the Z.A.S.M. Or it can expropriate the railway; or else it can tell the Company that the rates must be reduced, and if not that the Company must be expropriated. Government is not without means of making the Railway Company reduce its rates, and the Company is suffering no injustice, because it has made a certain agreement giving the Government the right to do so. I think the Commission knows enough about the terms of expropriation, and I need not enter into them at present. If the concession had been taken over in 1895, it would have cost the Government £1,785,000 to expropriate the 1,166,660 shares. Of course, the loans would also have had to be paid; but they are all practically safe.

Three courses open to Government in dealing with Netherlands Railway.

Expropriation by Government possible.

Government can compel reduction of rates of Netherlands Railway.

Cost of expropriation in 1895.

Chairman.

It is not for us to go into these matters now. These are not grievances of the mines—they are things that we must afterwards find out for ourselves.

Witness.] It would depend on what course is adopted with regard to the railways as to what extent we could reduce our working costs; and unless we have some basis to go upon we can make no estimate. Railway charges amount to a very big proportion of the equipment of a company, and they, as far as I can make out, make up about 5 to 10 per cent. of the working costs of the mines. That is a very big margin, I know; but it is an extremely difficult item to estimate, and I have given the outside figures. That is on material. I do not touch on how white or black labour expenses could be reduced in this connection, though that, of course, is a very serious question. But I shall leave the railway question now, since the Commission wishes it. The next question which affects our costs of working is that of the general taxation. I don't want to take up your time by going into each item. I can get at what I want in a few figures. The revenue of the State in 1885 was £177,876, and in 1897—twelve years later—£4,886,000. Well, the population has only increased in that time from 50,000 to 250,000, according to the State returns, but where the people paid £3 15s. per head then, they now pay £17 13s., on the basis of all the whites contributing equally. It is rather difficult for me to explain this matter without getting on to subjects which we would rather avoid; but if you look into the incidence of taxation, you will find that the taxation per head of the industrial population comes out £23, after allowing £5 per head for the 70,000 forming the rural population. Well, I would submit to you that it is quite impossible for a community to keep on contributing like this. That amount is not paid out of our earnings, because we don't earn enough to pay it. When we have paid our working expenses, there is not difference enough to pay the taxation. Therefore the money must be paid out of the capital. The money—that is our point—is being stopped from going into the ground, and we would particularly ask the Commission to suggest a plan by which the expenditure of the State might be brought down to the limit that we can bear. To take an illustration—if you were farming with a man on certain terms, you would not take half of his seed oats and sell them, and then reap his half-grown crop for green forage. Yet that is just what is being done with us. If the money went into the ground and the value was got out of it, the State could share out of the profits as much as it gets now. It would not come the first year, nor perhaps the second; but it would come, and that is

Extent of reduction of (mining) working costs dependent on Government action regarding Netherlands Railway.

Percentage of Railway charges on working costs of mines.

General taxation

Comparative growth of revenue and population, 1885-1897.

Incidence of taxation.

Taxation of mining community exceeds margin of profits.

Economic reform required.

what we ask the Commission to consider carefully. The harvest would be enough for all. A million and a half a year should serve to carry on the work of the State—it now takes four and a half millions. Then there are such things as heavy purchases and permanent works, and, though we could pay the interest on them, we don't think it right that we should pay for the capital out of revenue. It is not very difficult to say exactly where the money comes from; where you have only one real industry in the State and such an enormous revenue, you can fairly assume, in the absence of all evidence to the contrary, that the latter is paid by the former. All the money that we have had to pay, £3,000,000 to the railway, and the £3,000,000 which the State has unnecessarily had out of us, has come from European capital, and ought to have gone into the ground. It has not all come out of our earnings, because we have never earned it. We lay so much stress on the questions of dynamite and coal, because they are such clear cases that it is impossible to pass them over, and because we have to look into every detail that can bring down our costs. If we neglected them we should be doing, what we are sometimes accused of doing, not attending to our own business. But the real pinch is in the great items of the railways and the general taxation, and we ask that the Commission would consider those matters—we are told that they are not matters to be argued about in public—but consider them, and talk them over carefully. It is impossible for the industry to keep on contributing like this—nothing but ruin stands ahead if it has to do so. Two points I want to mention to show that it would be possible to reduce our burdens largely. Take the Free State. They have more than a quarter of the Transvaal population, and therefore our expenditure, if on the same lines, should be less than four times as much. Their expenditure, including £100,000 of special expenditure, was last year £430,000. If you exclude the special expenditure, ours should be a lot less than 1½ millions. Including everything, it should be under two millions. Then the net Government revenue, striking out the profits of the Netherlands Company and State profits on dynamite, was £3,600,000; the dynamite, over and above what we ought to have paid, was £500,000; railways, £2,500,000; imports, £12,000,000. We have paid the railway system £3,000,000; transit dues, £300,000; coal, £500,000. We pay for the produce of the country, £1,000,000; the interest to European shareholders in dividends, £1,500,000; white wages, £1,500,000; native wages, £2,000,000; and it brings the total up to over £28,000,000, and the State only produces £8,000,000. It is true a great deal of that is capital expenditure, but the enormous difference which remains must make you see that it cannot go on. That is all I have to say on the immediate causes of the present state of affairs.

Excessive State expenditure.

State capital expenditure charged to revenue.

Absorption of European money by railways and by taxation.

Railway and taxation the chief grievances of mining industry.

Comparison of Orange Free State and Transvaal populations and expenditure.

Payments of mining industry.

Chairman.

Did I rightly understand you this morning, on the dynamite question, when you said that the factory was, at the present moment, connected with Nobel's?—Yes, that is certainly what we understand, and it has been publicly stated that Nobel's bought out Mr. Lippert, and it is known that the agents of Nobel's are associated with the factory here.

Connection of dynamite factory with Nobel's.

Will you repeat the figures you gave us to-day as to the actual price of dynamite made, delivered, and the expenses on it?—I do not think I quoted the price at which it was made. I said the price of No. 1 placed on board at Hamburg was 21s. 6d. I believe that Mr. Albu said it could be made at 18s. 6d., and I daresay he is perfectly right.

Can you prove to us by reliable statistics at what price the dynamite was sold at Hamburg?—I can prove that it was sold this year, or within the last six months, at Hamburg at 21s. 6d., that is £43 per ton.

European price of dynamite.

Percentage of working costs.

This morning you made the statement that the percentage of the wages of the whites was 28 per cent. ?—Yes.

And that of the kaffirs 23 per cent. ?—Yes.

That 10 per cent. went for explosives ?—Yes.

Coal, 8 per cent. ?—True.

Now that makes it 69 per cent., and you said that 31 per cent. went in stores and material, &c. ?—I did.

Later on you said that railway rates came to from 5 to 10 per cent. ?—Yes.

Did you include that in the 31 per cent. ?—Yes.

Percentage of railway rates on working costs.

But not the 8 per cent. for coal ?—No. Coal works out at 8 per cent. carriage paid. We arrive at the carriage on stores this way. We take an item, oil, £1,300. I go to the merchant in town and we get his figures, and can thereby easily estimate the railage. I do the same with regard to all stores, and then I obtain from all the companies their figures and strike an average. The reason why I gave the margin from 5 to 10 per cent. is that some companies are putting up cyanide vats, sheds, and adding to their machinery, and the proportion of railway rates in these would be heavy. One company might give 5 per cent. and another fifteen per cent., and to get at the working costs as they are year by year, to obtain a fair result—you must take the average.

Reduction of white wages.

Now with regard to the 28 per cent. for white wages, do you consider that that could be reasonably reduced ?—I think it is possible to have it reduced, but that could only be done by getting in a great many men who can live here cheaper than the men we have got at present, and who will work at a much lower wage. It would mean men without families or starvation wages. But no matter how much they were paid they would still want the necessaries of life. You see in white wages everything comes in, such as railway carriage and general taxation.

Percentage of white wages on working costs.

Does the 28 per cent. include the wages paid to every white man, from the director to the lowest man employed on the mine ?—Yes. That is the average amongst the principal companies on the Rand, and I think it is the fairest average, because their conditions of working are the conditions which all the other companies are trying to attain. If you take the average of all the mines on the Rand you may get one or two per cent. either way. Sometimes a mine varies because of the different character of the reefs, but that is a fair average.

Scarcity of native labour.

As regards coloured labour, I understand you to say there is no want of black labour at the present moment ?—Not at present.

How many white labourers have you discharged at any of the mines you are connected with ?—I really cannot tell you now, but I can find out. It is not a matter that comes before the directors.

Under whose department does it come ?—Under the manager's.

Taxation.

You are the first witness who makes any mention of any further burdens pressing on the mines, and I would like to have more information on that point because I have a different opinion about the case. You want it to appear that the burdens are only borne by the mining industry, and that nearly all is paid out of the capital which is introduced into the country. We have made a calculation—our income is so much and the revenue so much. Then you put down the taxation at about £23 per head. You stated £17 13s. first and then £23.—Yes, I did, but the explanation is this: the £17 13s. is the contribution per head calculated on the *total* of white inhabitants of the State. But that is not a sound calculation, because the country population do not contribute anything like as much as the industrial population. In order then to get at the truth as nearly as possible—I take the Government *Staats Almanak* figures—the official records of population and the rural

population, I allow taxation of £5 per head—a figure which errs greatly on the liberal side, but I take it because it is the figure of the contribution per head of the total white population in the Orange Free State towns and country, industrial and rural; surely that is most liberal. And on this basis the new population here pay £23 per head per annum.

I want to be clear on this point. Has there been any increase of taxation between 1885 and 1897?—I do not suggest that, Mr. Chairman. That is why I say that the taxation comes out of capital, because the people do not and cannot pay it direct. What I suggest is this, if I may put it this way—the duty of the Government is to adjust the revenue to real necessities of the State. If you can conduct the State on two millions, the rest of the taxation, or the revenue, ought to be remitted, because it pays the State to do so. It does not matter whether sugar or tobacco or cigars is raised or lowered in a calculation of this sort. What I suggest is that there is very much more raised in the State than is absolutely necessary for the Government. I can suggest to you, for instance, permanent works, and other points will occur to yourselves. This we do not consider to be necessary out of revenue.

State revenue and expenditure.

The increase of revenue does not arise from any direct taxation being put on the population, but it arises from the increased population of the country itself, from the extension of all branches of industry, and the largest increase in the revenue is on import duty. Why is this, but because the consumption and the use of imported goods is increasing. It is not the mines which pay that, but the country generally, and every individual inhabitant of the country. I will agree with you that the taxation ought to be regulated according to the expenditure of the State itself. But at the present moment the expenditure and revenue still go like ebb and flood in this country. It is not regulated properly yet. It cannot be shown there is any direct tax pressing upon any individual.—I would suggest that a fat year for the State is a very lean year for the industry.

Sources of State revenue.

I cannot see that, because the fat year for the State has to come from the cow—which is the industry.

Mr. *Joubert.*

I understood from your evidence that the Government, through the dynamite contract, has suffered a loss of £4,000,000 during the last four years.—I think I said that if we had paid the duty of about 38s. a case, which we offered to pay in that proposed contract with Nobel four years ago, the Government would have obtained about £1,000,000 out of that duty—£1,200,000 I said, according to the shorthand writer's report.

Dynamite monopoly.

You say the Pass Law is a good law?—Yes.

Pass Law.

But that the man who is at present in charge is not able to carry out the administration properly?—Yes.

Administration of Pass Law.

Can you adduce any facts to show that he is not competent?—The condition of his department indicates it.

Every man puts his own construction on the law?—Well, the first intention of the law was to prevent desertions and to get back those who desert, and I have given you one instance of the Robinson Company of 1,600 deserters, and not one captured.

That surely is not the fault of the Distributor of Passes?—No! I did not say that. The Distributor is only one of the minor officials, who has got certain work to do.

However good the law might be, still the kaffir could "scoot" with his pass?—There are safeguards against that. He has to show a discharge and district pass before he can travel. At present it is only an extra tax-collecting agency. We'll take

the Customs Law. Here you have officials that give receipts for the Customs, you have an inspector on the border, and also have a high official who organises the whole thing. If you only had an inspector and no collector, and no prosecutions, the law would be a failure.

I would like to know in the interest of the high official where you put the blame on him?—As we have not the working of the department we cannot exactly say, but it is the first duty of the organiser to find out why his department does not work, and if he were a capable man he would know it.

But a kaffir can go away even under the Pass Law?—Not if the Department properly organised it.

In what possible way would you prevent desertion? The kaffir is registered, gets his pass, and then runs away with his pass in his pocket. What steps would you take to prevent this?—Before he can pass out of a district he has to produce his district pass. Before he can get fresh employment he has to produce his own pass. There is a complete system of checking provided by law, the letter of the law, but the working of the law provides no check at all.

But how will the pass officials know if the kaffir, perhaps when seeking work, happens to have shown his pass to a fieldcornet?—He has to get a special pass as soon as he comes into the district.

Over that the officials have no control?—But they ought to have. That is just the point. He has then to get a working pass.

Suppose now that the kaffir tears up the pass and goes away?—Then he can be imprisoned for not having a proper pass.

But how can you prevent a kaffir running away in the night? How can you prevent that?—I will tell you how to prevent it. There are here at different times 70,000 kaffirs, and—

Gold thefts.

See here, you are a mine director. Why don't you prevent people stealing your amalgam?—Well, we do our best.

And yet you come to the Government to complain?—Yes. It is just the same as in the case of burglaries. We lock up our houses, but that does not do away with the necessity for police.

You admit that you are incompetent to prevent it? What officials anywhere can cope with roguery?—If there is to be an ideal state of affairs, no police are required at all.

The police are placed there not to stop all the crime, but all they can.—Yes, well, they might occasionally detect something.

But things often happen that should not, even in the most civilised countries, even in England?—Certainly. But in England they also have the best detective service in the world.

And those at the head of the department can deal with crime?—Yes.

But you can't put the crime down to the officials?—I don't say that the police steal the gold.

You can't take care of the gold yourself, and how do you expect the police to do so? You have immense control over your employees?—Yes; ordinary control, but we can't stop it altogether.

Yet you expect Government to do so? These things would happen under the best officials?—Yes; you can't prevent crime altogether, but—

Neither can the Government?—No, but the Government can make an effort in that direction.

It is the duty of the Government to make the best laws possible for the community?—Yes; *and* carry them out.

Under the best laws crime is done ?—Certainly.

And under the best officials you sometimes don't get detection ?—Sometimes !

But it doesn't often happen here ?—What, detection ? No.

Well, however good the pass officials may be, there will always be transgressors of the law ?—That may be so, but it should be the desire of the Government to make the transgressions as few as possible. If you thrust on individuals or companies the responsibilities and duties which are generally supposed to devolve on Government, you would give the directors of the mines the right to institute the compound system, to keep the boys on the property, and the searching system, so that amalgam thefts would be detected; but those are systems that we would never suggest, nor would the Government ever consent to such things.

I am a farmer. I work with cattle; the law on cattle thefts is strict, but still cattle are stolen. Now, if my cattle are stolen, can I blame the Government for it ? —You could certainly blame the Government if they made no efforts to check the thefts.

It is my duty to go to the Government after the theft and ask them to help me to trace my property ?—No; it is the duty of the Government to take steps to prevent thefts. The detection of one theft would prevent a recurrence. It is difficult to trace amalgam once it is stolen. You can trace a bullock. You cannot carry a bullock in your pocket, but you can carry a lot of amalgam in your pocket. Therefore, there is all the more necessity for detective measures.

But cattle thefts are often undetected. The thieves might kill and eat the ox.—I repeat you cannot spoor a piece of amalgam across the veld, but you can a bullock.

Administration of Pass Law.

You accused the head of the pass department of being incompetent. I would like to have some facts. Now, can you give us any ?—You have the result. It shows faulty administration, because there have been no detections of desertions. I will put it this way. You would not take a clerk out of our office to drive your bullock wagon. You would take one who had experience in driving bullocks. Now, in a department of this nature, which is so very important to the mining industry, you want an experienced man at the head. You want a man of fine capacity for organisation, who has a special knowledge of the circumstances of the mines; who has a particular aptitude for carrying out the system; who has a knowledge of men. You would not select a man for the head of such a department who knew nothing about the work.

But you cannot expect a pass officer to act as a detective ?—Detection is a part of the department. I do not mean to say that the clerk who signs the passes should trace deserters, but that is a part of the department.

Is it not a matter for the head of the police to deal with ?—It is part of the department for the carrying out of the law. I don't mean that the gentleman who signs the pass ought to catch the kafir. But the head of the department must organise it. To give you another illustration. You have got a High Court, and they sentence a man, but the Chief Justice does not go and hang a murderer. The whole thing works together; one supplements the other, so that you get an efficient working system.

But somebody who has been hung does not go and lodge a complaint against the Chief Justice ?—He made his complaint beforehand, but it did not carry any weight.

The department is there to issue passes. Now, my kaffir obtains a pass to work for me, and he deserts. I would go to the police and ask them to help me to catch him.—But your case would be different. This Pass Law provides for a system of check to be carried out by that department. Say a boy obtains from the Pass Office a pass, and he goes to work on the Robinson Mine, and subsequently runs away and destroys his pass, as is often done. He should be captured and punished. If his

time had expired he would be provided with a district or travelling pass. But with all the desertions I have mentioned, not one has been captured.

But could you not go to the Pass Office and get the number of the boys who ran away?—That would not assist us. The one-half of the duty of the department is to issue passes, and the other half is to catch deserters. They are under one chief. The latter half does not work, although the law makes every provision for it.

Why, if you had all these complaints against the department, did you never complain to me, as Minister of Mines, about the bad working of the law?—It is a special department.

But it is a matter that concerns the mines, and the complaints cannot be put before the Government, excepting through me. The Pass Department is a sub-section of my department?—Then you are responsible. The bad working of the law has been discussed over and over again, and last year a petition was sent in to the Government, and deputations waited on you. This year a petition is being sent in to the Volksraad.

But why did you not send the memorials through me?—We thought we had the privilege of approaching the Volksraad. The Volksraad made the law.

You say the law is good?—Yes, that is true. What we want is to have it carried out.

But the Volksraad put officers there to carry it out, and if these officers were negligent, why did you not report them to me?—I think you would understand it better if I got a copy of the law, and took it point by point.

Never mind the copy of the law. I know it well; I helped to make it.—Yes, and you helped to make the department too. We hope that you will help to improve it.

I will. If you had approached me before there would have been no need for you to have come here to-day to complain of the bad working of the law.

Mr. *de Beer.*

The only complaint you made is that 1,600 boys deserted from the Robinson Mine and were never recaptured.—I did not give it as the only complaint, but as an illustration of what goes on. I presume that the Commission is about to call in the mine managers, who will relate their own experiences.

This is the only complaint before us yet. Have you any knowledge that passes have been issued to deserters?—I believe that such has been done; in fact that must have been done, because the boys, after tearing up their passes, obtain fresh ones to go and work elsewhere.

Of any two presumptions you should always take the most probable. My idea is that they go to their kraals.—I believe that they remain in the district. Of course the district is divided into so many parts, and it is necessary for the department to see that the boys have their district passes when they go around from district to district. That is the check.

You have been such a long time in this country that you must know that it is exceedingly difficult to prevent anyone going or coming.—I know it is difficult with regard to single individuals, but where you have kaffirs going the same route year after year, it ought to be within the power of organisation to stop desertion.

You know the peculiarity of natives. During the night he travels, and during the daytime he lies *perdu* somewhere?—Yes, but I cannot admit Mr. de Beer's deductions are the stronger, for this reason: in many cases the boys, after coming a long distance to obtain work, desert at the end of the first month. That cannot be because they want to go home again.

Is there not an agreement existing between the mines not to take niggers belonging to another mine?—There is an honourable understanding, yes; I have been informed. I happened to hear a conversation between some directors of the Primrose and the Simmer and Jack Mines, where they stated that their compound managers returned deserters from one to another, whenever they could detect them.

Origin of Pass Law.

That chance certainly exists in the Pass Law. From whom did the Pass Law originate?—It originated from the mines.

You know that the Pass Law is controlled by two departments—the pass department and judicial department?—Yes.

As to the desertion of niggers, under which department would you place them?—The judicial department is separate from the executive department—the police.

Inefficient administration of Pass Law.

I take the judicial department to mean police included.—I do not think it is possible to answer that question exactly. It depends in particular instances where the fault lay, whether it is in the issuing of passes at improper times, or the failure to arrest deserters and vagrants.

Do you know the official who has charge of the Pass Office personally?—No.

And, of course, it would be in the interest of the mines to assist the official if he was incapable?—Yes.

I know the official personally, and that he would do all in his power to assist the industry. He has made several journeys to Pretoria to try and make the law practical. I feel it hard that he should now be exposed as an incompetent official.—I did not say that he did not do his best; but that his best was not good enough.

But your explanation is also not good enough, seeing that you are unable to place your finger on the defective spot.—Well, you have general and hopeless failure. What more do you want?

Mr. *Brakhan.*

Native labour.

Mr. Brakhan took the witness in hand, and in reply to that gentleman, Mr. Fitzpatrick said he thought in the cold weather there might be a falling off in native labour; but the supply would really depend on the carrying out of the Pass Law and the Liquor Law. The Liquor Law affected the supply this way. When the liquor was in full swing, about one-third of the kaffirs were incapable, and the deficiency had to be made up. If the Liquor Law were properly carried out there would be a sufficient supply, if general facilities for bringing the boys in were granted by the railway. They might charge them nominal rates to come to work, and, say double, to go away again. He wished to make no unreasonable suggestions to the N.Z.A.S.M., of course. He agreed with Mr. Albu that the action on the part of the Native Commissioners hindered the supply of native labour. Mr. de Beer had hauled him over the coals for making a statement without details, and he did not wish to do the same again. If he did, he would be asked to mention the name of the companies which have to make these special payments, and as a sole result they would then probably suffer by not getting boys in future.

Liquor Law.

Exactions by Native Commissioners for supply of native labour.

Price of dynamite in foreign countries.

Can you give us any figures about dynamite?—I quoted yesterday the price of £43 per ton in Germany at the beginning of the year. That works out at 21s. 6d. per case exactly.

Can you give us another instance?—I give you an adverse instance. In Cornwall they pay 36s. a case, but there is a reason for that. Their consumption is not large enough to enable them to control the prices of the manufacturers. Dynamite, as you know, is a compound subject to very severe restrictions as to transport and storage, &c. You must either get big supplies, charter a special ship, and make large provision for storage, and so on, or you may get small supplies and pay heavily for

the risk. If a ship has 10 tons or 1,000 on board, in the case of an explosion, it makes very little difference, except in the spectacular effect.

Prices for imported dynamite.

Yet, even taking the high prices in Cornwall, it would be considerably less than the 85s. here. If we had free trade here, at what price could it be laid down here free of duty, on the basis of 36s. in Cornwall?—If we bought retail in Cornwall—actually bought from the mines, which would have already paid profit, we could land the dynamite here at 47s. 1d. a case.

Against 85s.?—Yes.

And on the basis of the German price of 21s. 6d., that would work at 32s. 6d.?—Yes, 32. 7d.

Are you quite sure that 21s. 6d. is right?—It was sold publicly at that price in Germany at the beginning of this year. My information is from a gentleman who got the price there personally at the very time.

I ask because it would appear from your figures that the Dynamite Company is making an exorbitant profit here at present?—I think it is one of the best businesses in the world.

About 52s. 6d. a case profit?—It is difficult to get the exact figures. You see it is not called a monopoly but a Government agency, and the Commission can make them turn their affairs inside out; can get the Government to put an auditor on to them and publish all their figures. It is very hard that we should be called on to prove a case which the Government can expose at will.

Consumption of dynamite.

How much dynamite is consumed, and not manufactured here?—That is another point the Commission can ascertain shortly. Our information (I make it merely as a suggestion to put the Commission on the line of inquiry) is that not more than 20,000 cases are manufactured here per annum, and the March output of the factory (I should say the agency) was stated at over 20,000.

Dynamite royalties.

Now, is there any commission or special profit in this dynamite besides the Government 5 per cent.?—It is a very complicated affair. You see 182,500 shares in the agency were granted to the shareholders in the original concession, which was cancelled for reasons explained by the President in language stronger than I care to quote. Then there were—

No, I don't mean the share transactions. I mean, is there any actual sum payable per case besides the charges mentioned?—Yes. There was 6s. a case that had to be paid to Mr. Lippert, 2s. a case to Messrs. Lewis and Marks, and a special payment of 2s. a case for three years to Mr. Lippert. That would be, altogether, 15s., including the 5s. But the 2s. was only for three years, and for an explanation of that I must refer to private inquiry. There have been so many statements made about it that I think it is for the Commission to investigate it more than anyone else.

Price for imported American dynamite.

You said yesterday that your firm had an offer from American manufacturers that they would deliver dynamite here for 37s. 6d.?—Well, I do not know if I said that exactly. What I meant to convey was that they quoted a price to us, delivered in Port Elizabeth, which at the known charges would have enabled us to bring dynamite here at that price, of course without any duty being paid in the Transvaal.

Are you quite sure that that dynamite is of the same quality as No. 1?—It is guaranteed so.

Manufacture of dynamite.

Possible dynamite "ring."

Mining industry could defeat dynamite "ring."

Suppose there should be free trade in dynamite, are you not afraid, on behalf of the mining industry, that the ring in Europe would raise the price so much that not much benefit would occur to the mining industry?—Not in the least, because we have several courses open to us. We can either build a factory in Europe, for here we have the biggest consumption in the world; we could build a factory where raw materials could be bought cheaply. We could buy a factory, or several factories,

already in existence, or we could go to the manufacturers and say to them: "We are in a position to place orders for 250,000 cases a year. We want your prices, and will give you a ten years' contract." I am perfectly certain that capitalists would themselves build factories to get these orders, and then we should get dynamite at the price mentioned here, of 21s. 6d., and I believe if we put them in competition for these big orders, we should get it cheaper still.

Yes; but in the meantime you would be at the mercy of the Americans or Mr. Nobel?—Any ring they might form would fail. The different manufacturers are not so bound together that they cannot compete. In the first place, the American people and Nobel would not combine against us, and before we needed to build a factory, we could buy factories already in existence.

Then it is your opinion that if free trade were established in this country in dynamite, then a very large reduction in the price of dynamite is assured?—Oh, yes. A very large reduction, and it can so easily be done. You see, it is really a matter of administration only. It is the same with all our grievances here. It can be remedied by sound administration. The Government have the right to hold the dynamite people to their contract, but even if they did not cancel the monopoly, they could allow us to import what the monopolists could not manufacture. If they can only manufacture 20,000 or 50,000 cases a year, we should be allowed to import the other 200,000 for our benefit, or for the benefit of the State. The difference in price could go either to the mines or to the State, as the Government in its wisdom thinks right, but it ought not to go as an improper profit to the monopolists. Surely that is not an unreasonable request. Free trade in dynamite.

Then even if the Government were to impose a fairly good duty, yet the industry would be able to import it at considerably lower prices than now?—Certainly; if the Government put even £1 a case on we could get our dynamite very much cheaper, and we hope that if the Government took that £250,000 a year they would give us relief in some other direction. This is not a matter of antagonism to the dynamite factory, or philanthropy. It would be a direct gain to us.

In regard to the railways. You mentioned yesterday one figure on the basis of 1895 that the cost of expropiation would be £1,700,000?—I said £1,785,000. Expropriation railway.

What would it be upon the basis of 1896?—In 1896 it would be £700,000 more, and the longer this expropriation is postponed the more opportunity they have of bringing in larger dividends. In the long run, of course, the taxpayers will have to find the money; that is why it concerns us so very much. If the thing goes on for another six years, we will have to pay £6,000,000 for 1,666,660 shares. I leave out the loans because they are under Government guarantee, and the Government can take them over in that way, as they are practically responsible. If notice is given this year, this session we will get the thing for three-and-a-half millions, but if it goes on for another six years, we will have to pay £6,000,000 unless the Government cuts down the profits.

But this is on the whole share capital. Of course, the actual cost would not be so high, because the Government holds a great number of shares?—I believe the Government owns 5,500 out of 14,000 shares. Governmer share in Net erlands Ra way.

But if the Government takes over the railway soon, do you think it would be a burden on the industry?—The industry would have to pay. Supposing they gave notice this year, they would have to pay £3,250,000, that is, £2,000,000 more than the actual capital. We would have to pay the difference between 6 per cent. on the original capital, and the rate of interest on which the State could raise this £3,250,000, and if the State took over the whole debt, which would then amount to about £9,000,000, including all the loans, the credit is quite good enough to actually Loan for expr priation of ra way.

save the interest on it, and you would also save the huge profit that I have already pointed out, viz., £1,300,000 a year.

Profits of Cape and Natal Railways.

Then you stated that the Cape and Natal railways drew out of the earnings £1,800,000 over and above the amount they ought to do ?—Yes.

On what basis do you arrive at that figure ?—First of all the Government railways are not commercial speculations, entitled to get as much as they can out of the country. They are meant to facilitate the development of the country. As regards the Cape, the Free State, and Natal, that refers, of course, to their internal trade. While they are developing the Transvaal for us, they are entitled to some extra consideration. Well, now, they have their transit dues. They raise their money at 2½ or 3 per cent., and on that calculation I allow them 4 per cent., but the Commission can go further and allow them 5 per cent., which will give each country a profit over and above its interest to give away to their own people, or build other railways for their own benefit; I think that with these and the transit dues they could very well afford to give us relief.

Colonial transit dues.

Will you imply that the mining industry will be relieved in various quarters in the case of expropriation of the Railway Company. It would be relieved by this Government, and also by Natal and the Cape, therefore this country would not bear the burden alone ?—Certainly. But this country is the key to the whole position. It was the Netherlands Railway which stopped the cutting of rates in the beginning. It is the Netherlands Railway we are told which makes the Cape Government keep on their transit dues. It is the Netherlands Railway which charges 7s. 7d. per ton on rough goods from Vereeniging to Johannesburg, when they allow the Portuguese over the same distance, doing about the same amount of trade and carrying the same goods, only 2½d., and even less than that. We impress upon the Commission that the whole power is in the hands of the Netherlands Company, and they can be controlled by the Government, and, therefore, the whole power is in the hands of the Government—of course I am speaking subject to correction, but that is what we believe.

Colonial railways.

Netherlands Railway holds key of position

Railway report of Chamber of Mines.

You quoted just now from the report of the Chamber of Mines on railways; I have read this report and I can only gather from it that the accusation is levelled against the Netherlands Railway. From what you say the Natal and Cape Government Railways should also have been mentioned ?—That report only deals with 1895, and there is a supplementary report promised.

As I read the report, the neighbouring railways can hardly draw the conclusion from it that their rates are too high, which, as you have shown by your figures of £1,800,000, they are ?—Well, I have given you exactly the basis. They might not accept 4 per cent. I do not think they would; I think if we could get an independent commission from outside they would tell these people that they are all plundering the Transvaal. The other day we were told, "What is the good of a milch cow if the cow turns round and drinks all the milk." This cow's head is tied so tight it can't even graze. They are killing the industry the whole lot of them.

I think it would be well if the supplementary report of the Chamber of Mines were to lay it down in so many words that the neighbouring railways are just as much culprits as the Netherlands, because I do not think the present report conveys that impression ?—A report framed by a number of people will give the average of their opinion. I have given you my opinion, and I would be quite ready, if I were to write a report, to tell the Cape and Natal Governments that they are taking too much out of us, and that it is a short-sighted policy.

Cape and Natal railway rates excessive.

Cement.

Now with reference to cement. You are a director, or your firm is very largely interested in the Cement Factory ?—Yes.

Can you give us figures showing the cost of cement in England free on board, and the price at which it sells here ?—Yes. I may say I am glad you have alluded to cement. The factory is often spoken of as the Cement Concession, whereas there is no such concession. If any other person is sanguine enough to erect another factory, he is perfectly at liberty to do so.

The difference in the prices is very large ?—Very large. The figures were included in the papers I handed in yesterday. The prime cost of cement—this comes *via* Delagoa Bay—the prime cost of a shipment would be £54 14s. in Europe, ocean freight would also cost £54, railway carriage to Johannesburg costs £240, and the Transvaal duty is £117. Prices of imp ted cement.

Don't you consider that the duty is abnormally high ?—Yes. I think the duty is too high, that is my private opinion. Duty on cemer

Surely there is a special railway rate, or it could hardly be five times the cost in Europe ?—I could not exactly tell you what the railway rate is. I think the weight of such material is sufficient protection for it. I do not know that it can be manufactured as cheaply in this country as it can be imported. Our factory spends £1,000 per month in the Pretoria District in getting limestone, coal, etc., and the raw material, the limestone put down at the mill, has cost us more than cement free on board at Hamburg and London. Cement factor

But don't you think that the factory is too much protected ?—I think further protection is unnecessary. Protection of c ment factor

Yes, but I want your opinion as to whether it would be better to knock off some of the existing protection ?—Yes, I do think so. I don't know what my fellow directors on the Cement Company will say ; but this is an inquiry into the mining industry, and I do think that artificial protection is unnecessary. Besides, I think the quality of the local article is sufficiently good to compete with that imported. I must point out that when the factory was started, it was done with the idea that it would relieve the industry. Cement was then £5 10s. to £6 10s. per cask, and there was no arrangement with regard to the railway coming forward ; so that it was then considered not only good business, but for the benefit of the industry. It it cannot, however, hold it own as a good business, my opinion is that, like all others similarly situated, it has got to go under. We have spent £113,000 to equip the factory, and it has not paid a dividend yet.

Mr. *Pierce.*

Do you consider that the high railway rates make out the main grievance ?—I have given you the figures charged by all the different railways ; but you will get from the engineers the exact proportions that the carriage forms in the equipment of a mine. I was unable in the time to work out the proportion. It is a very intricate subject, and I asked Mr. Seymour, the engineer of the Rand Mines, to prepare a statement. He is preparing it now, and will submit it to you. Now, take a company like the Geldenhuis Deep. It has a capital of £350,000, but the shareholders put up a working capital of £410,000, which is very much more than what they got for their claims, which was under £300,000. In the expenditure the great thing is the large and expensive machinery and other plant, and railage plays a much more important part in the equipment than in the working cost. You will get from Mr. Seymour exactly how the railway rates affect the mines. Railway rates.

And you consider that if the railway rates were reduced a great grievance would be removed ?—Undoubtedly, if sufficiently reduced.

If the Netherlands Company reduced their rates on the Delagoa line, do you think it would force the Cape and the Natal Railways to reduce their rates as well ?—Most Netherlan Railway co trol of Sou African ra way rates.

certainly. If the Netherlands Company reduced their rates even from Vereeniging to here, to the Cape level, it would mean an instant reduction of the rates on the other lines by 18 per cent. all round. Look at the various conferences which take place periodically both here and at Bloemfontein, between the controllers of the different railways. These commissions only meet to congratulate each other, and now and then they talk about the reclassification of sugar and corrugated iron, putting them in a higher class, and taxing us more. A man like the Minister of Public Works of Natal, said that this was merely a figure of speech. A nice figure of speech to put a heavier tax on us. I have nothing against the Netherlands Company. I say that as a commercial proposition they are perfectly right to put on heavy rates and make as much profit as possible, but I also say that the Government has a right to interfere and see that there should be no undue taxation on the people. The Government could exercise its right and bring pressure to bear on the Netherlands Railway Company and compel them to lower their tariff; but the real solution is expropriation.

You think that the reduction would give great relief?—It would be an immense relief, in fact it is the keystone to the whole thing.

Expropriation of railway.

If the Government were to take over the line and work it for the benefit of the State, it would greatly improve the condition of things?—Yes, certainly.

Everything centres on the railway?—Yes, it is almost a matter of life and death. We all hope that the Government will exercise its rights and take over the railway. We know that there probably would be difficulties in the way of administration, but we believe that the Government could benefit by the experience already gained, and would find it wise to select the best possible men for the work.

Do you think that the necessary money for the expropriation of the line would be obtained at 3½ or 4 per cent.?—With the greatest ease. If the Government were to exercise its right in connection with the dynamite monopoly and railway, and provided for a sound administration, there would be a restoration of confidence in Europe, so that the Government could obtain any money it required for the expropriation of the line, and for other purposes.

Now, assuming that the cost of expropriating the line would be £9,000,000, the annual interest to be paid would be about £360,000?—Yes.

Is it a fact that £360,000 per annum is required to pay interest on the railway debentures alone?—I am not quite sure of the figures, but the amount would be between £320,000 and £360,000. The debenture issue is about £6,000,000, but there is another £1,000,000 that was to be issued, although I am not sure whether it has been issued yet. There is one other thing I would like to bring to your notice now; that is, before the company gets at its profit, 10 per cent. is taken off the gross earnings and placed to the reserve fund, and last year you will find that this reserve deduction amounted to £290,000. Now, what is the reserve fund, and who is to get it at the time of the expropriation? I think that is a point that the Commission should bear in mind and find out when the Netherlands Railway people are dealt with. That reminds me of another point that the Commission would do well to inquire into. They should find out whether there were any special conditions under which the Potchefstroom line was built, so that its inferior earnings could be excluded from the general calculations when the railway is expropriated.

Reserve fund of Netherlands Railway.

You think that the settlement of the railway and dynamite questions will go a long way towards giving satisfaction?—Certainly, but I do not say that they are all the reliefs that the Government ought to grant us. I do not want to look a gift horse in the mouth, but I could not admit that any settlement could be satisfactory or sufficient which did not deal with the unnecessary £3,000,000 in the general State revenue. Look at the sum that is paid out of the general revenue, which should really

Remission of taxation.

come out of a capital account as it were. I consider this most unfair and unjust. I do not suggest that this is done in a hostile spirit, but consider that the Committee will agree with me that it is a mistake, I do not consider that most of the reforms I have mentioned will entail any loss on the Government—I mean the suppression of the illicit liquor traffic, the better administration of the Pass Law, and so on—and I would point out that the Government will have a distinct gain by cancelling the dynamite monopoly. If they only threw open the whole concern they would only lose 5s. per case, or £60,000 per annum, but then no one will complain if they put on a duty of 5s., or even 10s. per case. In the Netherlands Railway affair Government will certainly lose a portion, a large portion of their profits; but, on the other hand, there will be a distinct gain to the whole of the State. Of course, the real solution, to my mind, is not to take it as necessary that the Government must spend five millions a year, but to see what economies in that direction can be effected, and to what extent expenditure can be cut down, with a due regard to good and safe government. I think the Commission would be able to make some suggestions on that point.

Equalisation of budget.

Do you think that the expansion of trade would minimise the loss of revenue entailed by the reduction of tariffs?—Most certainly I do. I say that the present scale of taxation is crushing, and even if the Government faced a loss of revenue—I do not say a deficit—the expansion of trade will compensate for it.

Do you think that this is a good country for trade?—I certainly do. I think the Transvaal is the finest country in the world.

Mr. *Schmitz-Dumont.*

Mr. Schmitz-Dumont questioned Mr. Fitzpatrick as to whether over-capitalisation was not the chief cause of the depression, as pointed out by Mr. Labouchere in *Truth* recently.

Capitalisation of mines.

Witness said he had not seen Labouchere's statement, but he could not pretend to check it till he knew the method by which the results were arrived at. He would give an instance of the difficulty. At one time the Goldfields Consolidated held shares in the Rand Mines, the Rand Mines held shares in the Jumpers Deep, the Jumpers Deep sold some claims to the Jupiter. All those shares were only figures, not separate sums really. It was impossible to say, except one knew every particular instance, whether a Goldfields share holds an interest in a claim or a share in the Rand Mines, which holds a Jumpers Deep share, which holds a Jupiter share.

That is my opinion, and Mr. Labouchere has the same amount three or four times over?—No doubt. I only took the amount once. May I give you an instance of another thing. I was at a meeting of Mr. Dieperink's the other day, and he pointed to the Robinson Company as being over-capitalised. I really think the best judge of whether a mine is over-capitalised or not is the man who buys the shares, and as long as a man will pay £8 for a £5 share in the Robinson, he does not, I presume, think it one too highly capitalised. That was really a very bad instance to quote.

I have the capital of all the mines in the Transvaal—the nominal capital of 185 gold mining companies in existence in 1896. The total nominal capital is £54,000,000 for the 185 companies. On this capital they have paid a dividend of £1,700,000, that is about 3 per cent. I don't know whether your Chamber has figures for the whole industry.—It is difficult to answer your question whether over-capitalisation was not the chief cause of the depression in the form in which you put it. For instance, the Ferreira (I speak from memory) has a capital of £90,000, and the shares are at £15. It began with a capital of £25,000 or £30,000, and the people honestly thought it was worth that. They worked a little, and found it was worth a bit more. Then the shares were sold at £3 or £4. And so it went on. The year before last the people who held the

Capitalisation of Ferreira mine

shares, nearly all of them, I believe, in Paris, themselves paid £12 or £15 a share to provide more working capital. The Ferreira pays a dividend of 275 per cent. on the original £1 shares, but the French people bought at £15. No one man makes the difference between £1 and £15. One hundred people have turned their money over before the £15 is arrived at. You must, in order to answer your question, reason according to what the public thinks. At one time, as Mr. Albu told you, in 1887 they thought that £10,000 was sufficient to equip a mine. To-day I will tell you what they think. Take the Rand Mines subsidiary companies. The Glen Deep, with a capital of £500,000, put up £329,000, and they have to pay more yet; the Rose Deep have a capital of £350,000, and they subscribed £523,000; the Geldenhuis Deep, with a capital of £350,000, put up £410,000 in sovereigns; the Crown Deep, with a capital of £250,000, subscribed £630,000, and so on. Now, I say the shareholder is the judge regarding the capitalisation. Remember his position. He can buy the shares or leave them alone, just as he likes. If he buys them, he has the right to register them, and then he acquires the right to vote. With his vote he can turn out the Directors if they do not manage the business rightly. The Directors know that, and even if there were no honesty amongst them, it is good policy to manage the mine properly. They would be discredited if they were turned out of office, and shareholders in Paris, Berlin, or London, would never afterwards entrust them with any of their money. You can only judge of mining by results. Of course, if a man takes a claim on the Main Reef, out of which you know only £30,000 profit can be got, and puts up a capital of £500,000, I should call that a swindle where there is such absolute proof. But you must know that people will speculate. You can get a man in the street who will give 30s. for a £1 ticket in Phillips's sweep, because he likes the number or believes in his luck.

Capital of Glen Deep.
Capital of Rose Deep.
Capital of Geldenhuis Deep.
Capital of Crown Deep.

Development of mining industry.

Do you think the industry has reached its full bloom yet, or is only in a state of development?—Decidedly in a state of development. There are two possible courses of development. There are now a certain number of companies working, or trying to work. These were started under the belief that the conditions would enable them to work at a profit, or the conditions would be immediately so much improved as to give them a good margin. They are not developed yet. Then we know that there are great stretches of ground which we can't work now at a profit, but which we believe in some few years' time we shall be able to work at great profit to ourselves and the State when the artificial conditions are improved. The natural conditions on the Rand are almost the best in the world—regular reefs, good value in them, long extent, large enough to work, coal on top of them—you can't ask more from nature than that; but it is the artificial conditions that require to be improved. I think if we talk these over, and come to understand one another, the members of the Commission may be the means of instructing others, and showing them what our hopes are for the industry and for the State.

Over-capitalisation.

You think then that the question of the over-capitalisation of the industry cannot be decided while the mines are still in a state of development?—No.

Law to prevent bogus flotations.

It must, in your opinion, be left for the future to decide?—Yes, quite so. I have noticed that there has been a suggestion made to the effect that shareholders should be protected by Government. I think everybody would support that idea—that the public should be protected against deliberate swindles. I would also point out that in England the shareholders *are* protected. A man can go to the courts and prove that there was not sufficient grounds to justify flotation, that the promoter did not act in a *bona-fide* manner, and there are lots of cases in which men have suffered from their misdeeds in this direction. Even as the law stands now in this country, I believe a man could go to the High Court and obtain protection, and I say "Good luck to him."

Mr. *Joubert.*

Should not the Chamber of Mines co-operate with the Department of Mines to get a law protecting European shareholders from being defrauded by swindlers?—I don't know if such a law could be framed without interfering with what, in other countries, is considered to be personal liberty. You have to come to the point whether the man intended to swindle, and that can only be settled by the Court, as a matter of personal judgment. If a good law could be devised, it would be beneficial.

Is there no possibility for the Chamber of Mines to work with the department for the passing of such a law?—I don't know if laws exist in France, Germany, England, or America, to that specific effect; but if so, I would be guided by the wisdom and immense experience of the law makers of those countries; otherwise we might be rushing in where angels fear to tread.

Is it then impossible? Are you not willing to discuss the matter with us?—Oh, yes; but I do not think that is exactly what is wanted in order to restore confidence. Lots of things combine to shake the confidence of investors. For instance, to deal with some small and homely matters, I was told by a member of the Sanitary Board yesterday that an application for the underground rights of the Market Square, had been made by Mr. Jan Meyer, a leading member of the Volksraad. That does not help to restore confidence. The Sanitary Board applied for a portion of the Telephone Tower Park, in order to erect a Town Hall. They were refused. Now, someone has made an application for the right to erect swimming baths. That does not restore confidence. I hope the mere publication of these things will prevent them from succeeding. The Sanitary Board applied for the Union Ground, also for public purposes, but it was granted to private applicants on the quiet. They have hawked it about and borrowed money on it. It was offered to many of the big capitalists here, but they would not touch it. The Sanitary Board are told that a building is to be put up, in which fifty rooms will be set aside for them, but they are not satisfied that the authorities should do good by stealth, and blush to find it fame.

Concessions.

I cannot understand how mere applications can shake confidence.—Well, they do, because they are only made when there is a chance of their being granted. But, if you want facts, I will tell you what shook the investor's confidence as much as anything that has happened for years—that was the Ferreira claim jumping raid, which it was sworn to in Court had been suggested by you yourself, Mr. Joubert.

Ferreira raid

Not "suggested" by me—

Chairman.

The Chairman said Mr. Fitzpatrick was straying away from the original question.

Witness said that the Minister of Mines had wanted examples of what shook confidence, so he was obliged to give them. Continuing, he added that, so far as he knew the feeling of the Chamber of Mines, he could assure the Commission the Chamber would make every effort to co-operate with Government for the protection of shareholders. If they could find a practical means of protecting Shareholders, the Chamber would gladly assist.

Chamber of Mines willing to co-operate with Government to prevent bogus flotations.

Mr. *Joubert.*

If the Chamber is willing and will assist, I am willing to propose such a law to be added to the Gold Law, this session of the Raad.—You will, of course, address the Chamber on the subject?

Yes.

Mr. *De Beer.*

You speak a good deal about what is wrong on the side of the Government. Are you now quite satisfied with the economical working of the mines: is there no

Management of mines.

mismanagement or waste of material; is there not too much money spent on managers, engineers, &c., &c.? Are you so perfectly satisfied with yourselves?—Certainly not! We are never satisfied—always trying to improve, but if I knew now where a fault lay on our side, I should start in to remedy it, and not wait to report it to the Commission. We have been trying to reduce expenses. We are trying, and we will always try, and if we were satisfied, we would stop trying. I have not the slightest doubt there must be faults on our side too. I never intend to give the idea that we claim to be perfect. It is impossible and absurd. Every year we find out something fresh in the way of reducing some of our costs, and we hope to go on in that way. I can only speak in connection with the costs of those mines with which I am concerned, and I can tell you that if we knew there was anything requiring improvement, and capable of improvement at our hands, we would tackle that at once on our own account, and in our own interest.

But you not only know about the mines which you are a director, or are interested in, but have a general knowledge?—Yes.

You have a general knowledge of the whole business?—Yes, but necessarily an imperfect one of others' business.

I only ask you for an explanation of this question in order to justify yourself. There will afterwards be other evidence on this point. That would only prove that you only suggest improvements on the side of the mines on one point, and that is the black labour question. That is why this question was repeated?—No, I do not suggest that. We keep on at every directors' meeting as to costs. We divided these things up into percentages long ago, before a Commission was ever thought of, so that we could know whether we could put our finger upon extravagances, or the spot where economies could be made.

Reduction of working costs of mines.

You have chiefly drawn the attention of the Commission to the black labour question?—I think the fact that we have made an effort to cut down the black labour within the last fortnight shows you two things—the first, that we realise we can effect some economy ourselves—and there we may be to blame for not doing it before—and the second thing we realise is, that this is a good opportunity of doing it.

The witness was then permitted to leave, being thanked by the Chairman for his statement.

Mr. Laurie Hamilton's evidence.

MR. W. LAURIE HAMILTON was called. He stated he was a civil and mining engineer. He had been up to now connected with the Barnato Companies. He had been in Johannesburg since the end of 1888.

Chairman.

Mr. Barnato.

Will you please inform the Commission on what points you can give evidence?—I may say first Mr. Barnato had intended to offer himself to give evidence, but had to go down to the House of Assembly. He asked me to assist you with any information I had. I propose to lay before you a statement of the stamps working in the Barnato group, and of the additional stamps which might now be started if the Commission can help us to further reduce the costs. I will also lay before you the actual costs of a paying mine and the actual costs of a non-paying mine; also an illustrative estimate supposed to have been made in 1890, showing how we estimated possible reductions and how these had been partly fulfilled and partly falsified by certain reforms we anticipated being withheld. Witness then handed in the following statements, which the secretary read: In the Barnato Group (Rand and Klerksdorp) we have:—6 companies with 400 stamps running, 400 stamps; 90 stamps hung up on these companies, 90 stamps; 7 mills idle, with 650 stamps ready to crush, 650. The total

Barnato group.

Stamps running.

Stamps hung up.

Mills idle.

number of stamps that might now be crushing under improved conditions of country, 1,140. In these 13 companies we propose to add 220 stamps, 220; 3 companies that were crushing with small mills, but are ready for heavy equipment, would run 480; so that under improved economics of the country we could have (instead of 400) 1,840 crushing in 12 months. In addition to these, out of many large properties held by this group, we have mining properties sufficiently proved to promise dividends under improved conditions that would require a further equipment of 1,350 stamps, making a total in this group, that could be crushing by the year 1900, of 3,190 stamps. It is estimated that the different groups could have 9,000 stamps crushing by 1900. Of the six companies crushing, the nominal capital is over 1½ millions, and the hard cash sunk in opening and equipping these mines amounts to over 1½ millions. Of the seven companies with idle mills the nominal capital is over 2 millions, and the opening and equipping them has cost over 2 millions. So that over and above the money spent for and on partly developed properties now waiting the promise of better conditions, and the large amounts paid to farm and estate owners for other properties, this group of financiers has more than two millions lying idle in machinery, etc., in seven mines, that under improved conditions of country might now be producing wealth to the country and dividends to the shareholders. This does not include money paid for these properties, but only the hard cash spent on them in bringing them to the producing stage. In the above statement no part of the many properties in which the Barnato group hold large interests, but which are under the control of other groups of financiers, is included.

Possible number of stamps under improved conditions.

Total estimated number of stamps in 1900.

Capital of crushing mines in Barnato group.

Capital of seven non-crushing mines of Barnato group.

The comparative costs of the New Primrose Mine for 1890, 1893, and 1896, mining and milling, are as follows:—

Comparative costs of New Primrose for 1890, 1893 and 1896.

COST PER TON (not including Tailings Treatment).

	Six months ending June 30th, 1890.	Reduction accomplished between 1890 and 1893.	Six months ending June 30th, 1893.	Six months ending Dec. 31st, 1896.	Total cost per ton including tailings treatment 6 months ending Dec. 31st, 1896.
	s. d.		s. d.	s. d.	s. d.
Labour—					
European	6 2	34 per cent.	4 0	4 9	5 4½
Native	7 10	12 „	7 0	5 9	6 5½
Total Labour...	14 0½	22 „	11 0	10 6	11 10
Stores—					
Natives' Food ...	1 6	34 „	1 0	1 5	1 7¾
Explosives	1 11¼	(4 % inc.)	2 0	2 6	2 6
Fuel	1 11¼	31 per cent.	1 4	1 8½	2 1¼
Lighting, tools, lubricants, etc. ...	2 2	41 „	1 3½	0 9¼	0 9¼
Cyanide and zinc ...	—	—	—	—	1 7¾
Maintenance & general	2 1	24 „	1 7	1 4¼	1 9¼
Total Stores ...	9 7½	25 „	7 2½	7 9	10 5
Miscellaneous, offices, salaries, etc. ...	1 9	—	1 4¼	0 7	0 9
	25 5	23 per cent.	19 7	18 10	23 0

Redemption and Depreciation not included.

Column I. gives cost of mining and milling, June 30, 1890. Column III gives cost of mining and milling, June 30, 1893. Column II. gives percentage of reduction accomplished by improvements in mining and appliances from 1890 to 1893. Column

IV. gives cost in mining and milling, December 31, 1896. Column V. gives cost in mining, milling, and cyaniding, December 31, 1896.

Reduction of costs in labour and stores, 1890 to 1893.

Reduction of costs in labour and stores, 1893 to 1896.

I would call special attention to the following points in these actual costs:—(1) The reduction obtained between 1890 and 1893, 22 per cent. in labour and 25 per cent. in stores. (2) A further reduction in the total (19s. 7d. to 18s. 10d.) from 1893 to 1896, in the face of greatly increased hardness of ore depth of mine. It is noticeable that while by the introduction of machine drills, etc., we reduced the labour by 6d., the stores were increased 6½d. by the increased consumption of coal and dynamite (amounting to 10½d. between them). The food of natives also increasing 6d., consequent on scarcity of mealies (through locusts) and the heavy railway charges from coast and Free State for imported mealies. (3) The low cost to which we have brought administration, which includes mine office, town and London offices, consulting engineer, manager, directors, etc. The reduction on this from 1s. 9d. in 1890 to 7d. in 1896, is equal to 70 per cent. (4) The heavy increase of cost per ton of dynamite in face of all our efforts at economy. These charges are worse in most other mines.

Reduction of costs of administration.

Increase of cost of dynamite.

Langlaagte Royal working costs

The costs of mining, milling and cyaniding at the Langlaagte Royal Gold Mining Company were as follows:—

	5 months ending Nov. 30th, 1896. Cost per ton.		1 month May 1—31, 1896: Cost per ton.		Estimated cost, with reasonable reductions in railway rates, price of stores, and cost of kaffir labour.
	s. d.	s. d.	s. d.	s. d.	s. d.
Labour—					
European	7 6	...	6 7		
Native	6 11	...	6 7		
Total labour ...	...	14 5		13 2	9 0
Stores—					
Natives' food ...	1 0	...	1 7½		
Explosives	3 0	...	2 6		
Fuel	3 1½	...	2 9½		
Lighting, lubricants, timber, etc. ...	1 4	...	1 5½		
Cyanide and zinc ...	0 10	...	0 8½		
Maintenance and general	2 1	...	1 4		
Total Stores ...	...	11 4½		10 5	6 6
Water rent, etc. ...	0 11	0 11	...	0 8½	0 6
Miscellaneous offices, salaries, etc. ...	...	1 2	...	1 0	1 0
Total working costs ...	...	27 10½	...	25 3½	17 0
Cost of milling and mining	24 6	...	22 1	...	
Cost of cyaniding tailings	3 4½	27 10½	3 2½	25 3½	
Yield of gold per ton	...	...	...	25s. 2d.	

Column I. gives last five months before closing down. Column II. gives cost for May, 1896, when boys were more plentiful and mill worked nearer full time. During the five months of column I. boys were scarce, and there was a strike at reduction of wages, drills having to be employed, raising costs of white labour, explosives, fuel,

maintenance, and general. Column II.—cost 25s. 3½d.—is somewhat above cost of working with plenty of kafirs under present circumstances. Column III. gives estimated cost under improved economic conditions of country. That is, with co-operation of Government; reasonable reductions being given in coal, dynamite, railway rates from coast, and assistance in reducing kaffirs' wages by:—*(a)* Inducing the Transvaal kaffirs to come to the Rand, and enforcing and improving the Pass and Liquor Laws; *(b)* Reducing cost of coal, dynamite, etc. The mining companies can then make the air drill a real live competitor with kaffir labour. These reforms, which are *not the ultimate extent we hope for*, are reasonable, and will enable the Royal and other mines (of which the Royal is a sample) to re-start crushing at once. The reduction in European labour will be brought about by getting sufficient kaffirs at low wages to supersede drills (air), in stoping and increased output. This mine, promising well in outcrop claims, has by reduction of yield in second and third rows, become classed as a low grade mine: this was not anticipated; and although expected to be average grade, its capitalisation is about the lowest on the Rand, the property account standing in books at £760 per mining claim. The Balmoral stands at £1,230, the Primrose at £2,084 per claim, and the three companies surrounding the Royal, which are considered far from being over-capitalised, stand at £3,200, £5,200, and £5,500 per mining claim respectively. The Royal is equipped in the most approved style, with 140 stamps and all accessories; the mine and equipment stand at £1,480 per stamp, which will compare favourably with other mines on the Rand.

Reduction of costs desired from Government.

Results of reductions of working costs.

Capitalisation per claim of Langlaagte Royal, Balmoral and Primrose.

Equipment of Langlaagte Royal.

To show what we expected to do, and what has been done, I give the following illustrative estimate, showing reductions estimated:—(1) Reduction possible to the mining companies unaided by the introduction of improved management, machinery and appliances, reducing *amount* of labour and stores necessary in producing and crushing the ton. (2) Reduction possible with the assistance of the Government in reducing *price* of labour and stores.

Reduction of working costs possible without and with Government aid.

	Mining and Milling. Labour.		Mining and Milling. Stores.		Cost per Ton. Administration.		Cost per Ton. Total.	
	s.	d.	s.	d.	s.	d.	s.	d.
Cost of a typical mine in 1890	16	0	14	0	2	0	32	0
1. Estimated reduction in amount of labour and stores by improved management, machinery, and appliances	4	0	4	3	1	0	9	3
Reducing cost to	12	0	9	9	1	0	22	9
2. Estimated further reduction from reduced price of labour and stores to be got by economic reforms of country	3	0	4	0	0	0	7	0
Reducing cost to	9	0	5	9	1	0	15	9

Langlaagte Royal mining and milling costs reduced from 32s. in 1891 to 22s. in 1896.

The cost of cyaniding tailings is not included in this estimate, not being commenced in 1890. Since introducing treatment of tailings by cyanide, which at first cost from 8s. to 10s. per ton, the companies have reduced the cost of this process by 5s. per ton and hope to get a further 2s. by improved economic conditions. The companies have thus accomplished a reduction of 14s. 3d. per ton in mining, milling, and cyaniding, and are hoping to be helped to at least another 9s. per ton.

Costs of cyaniding.

Reduction of working costs already accomplished by companies.

Chairman:

Can you give the present average wage of a white man on the mines?—I cannot give you the average actual wage; on a properly managed mine they vary from £15 to £25.

Average of white wages.

Is it not possible for you to state the average wage on the mines which you have been connected with?—I cannot from memory. I can send it to you. I may say I agree with the evidence of Mr. Jennings, Mr. Way, and Mr. Fitzpatrick.

I would be very pleased if you would hand them in.

[*Supplied afterwards, according to the Chairman's request.*—In six mines in the Barnato group, taking the New Primrose, Ginsberg, Rietfontein, Roodepoort and New Spes Bona, for the first three months of 1897, and Langlaagte Royal for the five months before it shut down, the average monthly pay was £15,737 to 640 men, equal to £24 11s. 7d. per man per month. This includes managers and staffs].

Mr. *de Beer*:

Capital and costs of development of crushing mines of Barnato group

You say amongst your group there are six mines crushing?—Yes.

The nominal capital of which is over a million and a half?—Yes.

For the purpose of developing these it cost another million and a half?—Yes.

The statement made by you is in connection with these six mines?—I have taken the New Primrose and the Langlaagte Royal, one being a paying mine and the other a non-paying mine. The New Primrose is the paying mine.

Capital and costs of development of seven non-crushing mines of Barnato group.

The seven non-paying mines have a nominal capital of over two millions?—Yes.

And opening up and installation another two millions?—Yes. That does not include the unequipped properties.

Meaning of installation.

What does opening up and installation mean?—The sinking of shafts and the equipping of them with machinery, and the erection of mill, cyanide works, and the erection of houses, etc., in connection with the mines. In other words, the hard cash we spent before we began to crush.

Development of mines of Barnato group.

Is it to be understood that the development of these mines is in such a way that all of them have a certain quantity of ore on hand?—Every one of them; the least has nine months development ahead of the mill. We have numbers of mines besides these that are not equipped, which have a large amount of development. May I suggest, in regard to over-capitalisation, you should look at these figures. We have sunk over our nominal capital in every one of these mines, the money being found by Barnato Bros. putting it up at a premium.

I see in your expenses there is a reduction since June, 1890, between 12 and 41 per cent.?—Yes, that is to 1893.

Comparative cost of hand and machine drills.

I see in December, 1896, there is an increase again. Can you tell the Commission to what reason do you ascribe the increase?—You will notice the increase is in stores, 6½d. There is a decrease in labour, 6d. We brought labour down from 11s. to 10s. 6d. There is an increase in European labour of 9d., and a reduction in kaffir labour of 1s. 3d. During that period we put in machine drills and put in more European labour.

Cost of native food.

I see in your stores, native food was reduced by 34 per cent. in the three years from 1890 to 1893?—Yes; but the locusts and other plagues raised the cost of mealies. Since then, having to import them from America we have to pay so heavily for bringing them from the coast up here. We pay 8s. at the coast and 22s. here.

Cost of explosives.

What is the reason of the increase of 4 per cent. in explosives?—It resulted from the same cause, introducing drills instead of kaffir labour and the ore getting much harder, and that is why I ask you to reduce these items and enable us to make the drills real live competitors with the kaffirs, and so enable us to reduce kaffir wages.

Quality of dynamite.

Since we have been obliged to buy dynamite from one man—I don't care whether it is Nobel or anyone else—we could not guarantee the best quality. I myself repeatedly applied to the Government to import other qualities of dynamite. I was refused. The result is, I go and buy 100 cases, I take it home, and kill 100 kaffirs perhaps. I go

back to the man I bought it from, and I say: "Your dynamite is bad. I am obliged to buy it from you even if I kill another 100 kaffirs. I have been taken before the magistrates for manslaughter. I escaped scot free because witnesses for the prosecution proved that I had done all I could, and it was the fault of the dynamite." I had done all I could according to the regulations—the fault lay with the dynamite. A boy was suffocated through the bad fumes. I may say this, I have put a shot in and fired it. A boy has put a drill in it and found a part of it left unexploded, which injured him, and afterwards a third portion was unexploded in the bottom of the same hole. I don't say Transvaal dynamite is worse than any other, but if you are obliged to buy from one man, whether sugar, dynamite, or anything else, he charges his own price and supplies his own quality.

Can you tell me what was the price of the dynamite per case?—It was pretty much what it is now. We were using such a small quantity that we could not buy to advantage, and I believe there was a "ring" then.

But we understood from other witnesses that dynamite No. 1 standard was good?—I think the witnesses that said so only use gelatine. We did away with dynamite as much as possible, and the dynamite factory very readily made special cartridges for us so that we might use gelignite instead of dynamite.

Do you know No. 1 standard of dynamite?—Yes.

Do you know the percentage of nitro-glycerine in it?—No.

You have never analysed it?—No.

Have you used it? And is it the dynamite you complained about being in different qualities?—I do not need to tell you how much there is in it. They take this earth and they impregnate it with as much nitro-glycerine as it can carry.

With regard to the bad dynamite which exploded—from whom did you buy it?—We were obliged to buy it from the concessionaires.

And which was it?—No. 1.

Do you know any other company that is dissatisfied with the dynamite?—Yes. When I was prosecuted I had evidence from nearly all the managers on the Rand. I got workmen and had their opinion, and it was the almost unanimous opinion that it was inferior and irregular—just the biggest danger—in quality. The quality, as far as I hear to-day, is better than it was. But I say we are in continual danger so long as you compel us to buy from one man. We cannot complain of it; we must buy it.

Fuel.

With regard to fuel?—We reduced fuel 31 per cent. from 1890 to 1893, but during the last three years it has increased on us, not because of increased price, but because of the introduction of labour-saving appliances which needed the consumption of coal, causing the consumption to increase, so that we were between two difficulties. Either we had to continue the expensive kaffir labour or we had to supersede them by machinery, which would use expensive stores. We now say we have reduced as far as we can the *amount* of labour, and the *amount* of stores by the introduction of the best of engineers, workmen, and machinery, and we cannot touch the *price* of these articles. Therefore we ask relief upon the prices.

Situation of mines of Barnato group.

How are your mines situated?—They are very much separated. They are from Rietfontein to the Balmoral and Kimberley Roodepoort.

What mines have you got between here and Krugersdorp?—The Royal, Crœsus, Unified, Aurora, and Kimberley Roodepoort.

Did the Crœsus exist in 1890?—It existed as a 20 stamp mill.

What was the price per ton of coal delivered at the Crœsus in 1890?—I cannot say, it was not in our hands then.

Cost of fuel of Langlaagte Royal mine.

Or from the Aurora?—I can tell you from the Royal. At the Royal the cost in 1890 was about 23s. or 24s. per ton.

After May, 1896 ?—We paid up to the time we stopped about 22s. 9d.; in fact, in the summer we could bring it as cheaply by ox-wagon as by rail.

Costs of stores.

With regard to lighting, tools, etc. ?—We have reduced that very largely, as you see given in the case of lighting. Candles, paraffin, etc., we have superseded in a great proportion by electricity, transferring some of that cost to fuel. Then the price of candles and lubricants and other things has been reduced slightly, not because of the reduced rates so much, because we can import it ourselves without fear of the traffic being stopped. I mean merchants used to import large stocks in the summer, and they could charge us any price they liked. Take candles, for instance. The carriage from Durban amounted to about 6s. coming from the border by ox-wagon. The present charge is 6s. 9d. But I gladly say that the convenience of the rail is in being able to buy anywhere we like, and we thus get these supplies at a much lower rate than we did before. They are, of course, a very small proportion of the costs—under 3 per cent.

Costs of cyaniding.

With regard to cyanide and zinc, you have got nothing to say about that ?—No; but we are very thankful for the help the Government has given us in the matter of cyanide. I did not show any reduction in the statement because we were not using it in 1890.

You have heard the evidence of some of the other witnesses ?—Yes.

Comparative costs of different mines.

Then you have noticed there is a great difference in the cost of your mines compared with other mines ?—I think the costs given previously were average costs. I may say I made up the average cost quite apart from those gentlemen, and came out about the same.

We have never had such a satisfactory statement before us like this. Was the total cost of working 22s. ?—In the other estimates ?

Average working costs of most mines.

When the average was taken ?—29s. 6d. was given by Mr. Eckstein, and that is the basis of most. I made it 29s.

Working costs of New Primrose mine.

At present your mine works at 23s. ?—I would say yes, but you have to make that 25s. to compare with the 29s. average.

You are still 4s. below the others. How much per cent. would that be ?—That would be about 15 per cent. It would not be fair for me to allow you to infer that we manage better than the other mines.

The others can speak for themselves ?—This table which is before you is compiled on the Primrose, which has a large thick reef. It would not apply to all the others. Take, for instance, the Ginsberg, which is a much higher grade mine and has a much smaller equipment. We cannot work there at the same cost as at the Primrose.

You have made a note that you gave the average for the six mines ?—No, that is for the New Primrose and Langlaagte Royal.

You say the Primrose works under very favourable circumstances ?—Yes, it does. Go to columns 4 and 5 of this table. Might I suggest one favourable circumstance in the Primrose—that freight and coal is a good bit less than the mines on the other side. It is not a large item, but it is a real one.

The total cost is about 4s. more when you include cyanide. That 1s 7½d. is for cyanide, or cyanide and zinc ?—That is so.

So in order to work and treat, the cyanide will cost you 4s. per ton, What are the returns ?—Well, I may say our profit is all in the cyanide. In most of our mills we are making a loss, so far as our milling is concerned. So that had we not at a great cost introduced this cyanide process, or some other process, some of the rich mines would have been shut down.

Cyanide patent.

Is the process a patent ?—No, not now.

Has it been a patent ?—It had a patent in this country. I may say I for one refused to pay the royalty for years before the matter was settled. I told them, "We are quite willing to pay you a reasonable royalty, because you have done something, but we will not and cannot pay you what you ask." For instance, they came to me when I was on the Primrose. They wanted to take 15,000 tons to treat then, and to give us a proportion of the gold. Then we were to take the works over at cost price. We said no, and we paid them their highest royalty, and out of this 15,000 tons we made a profit of £8,500. They would have given us £2,500.

In the six mines are there any water-rights, or so ?—They are not kept separate.

Was water and material increased in cost ?—It may be in bringing water from a distance, as we have to do on the Royal, it increases. Would you permit me to call attention to the last line on this page before you turn over. The item is miscellaneous—offices and salaries. You will notice we brought that down for mining and milling, leaving the cyanide out, from 1s. 9d. to 7d., a reduction of 70 per cent. That includes directors' fees, managers' fees, consulting engineers, office expenses in London and Johannesburg, and at the mine, and I don't think you can call it high. Reduction of salaries.

Is this a true extract from the books of the Primrose Gold Mining Company ?—Yes. I can give you the actual certified figures, but I may say I have condensed them so as to compare them.

Mr. *Schmitz-Dumont* :

In the beginning you say you have 400 stamps at work ; is that right ?—Yes. Number of stamps working.

Do you know how many stamps are working in the whole of the mining industry ?—About 2,600 I think. I speak from memory.

Is it not 5,500 ?—Working this month ?

No, last year.—I am talking about to-day.

Are there 4,400 working to-day ?—No. I think in the Rand and Klerksdorp there are about 3,000 working now.

Last December there were 5,500. Is it not 10 per cent. less to-day ?—I think you will find it is under 3,000 stamps to-day.

There were 5,500 last December, according to the statistics ?—Last March I think you will find there were 2,850 in Heidelberg, Klerksdorp, and Johannesburg.

[*Supplied afterwards.*—The number of stamps crushing in March last on the Rand and Heidelberg districts were :—Chamber of Mines, 2,440 ; Association of Mines, 835. Total, 3,275.]

I only want to make a comparison. In the year 1900 you will have about 3,200 stamps ?—We expect that. Estimated number of stamps in 1900.

So you multiply your present number by eight ?—We do not multiply our present stamp power by eight. Our present stamp power is 1,140. If you go back to 1896 you will find we were working most of those stamps.

How many stamps had you at work in December, 1896 ?—I cannot tell you unless you can give me a list.

According to your statement you have 400 at work, and in the other companies 4,000, and in the year 1900 you expect eight times as many stamps working, but for the other companies you only allow two-fold or double ?—I can only speak of our own companies, where I know the facts. As to the 9,000, it was an estimate made up by men who can get at the books of most of the companies. I am careful to say it is an *estimate*. Total estimated number of stamps in 1900

With regard to the working of the 9,000 stamps, which would signify a great increase in the development of the Goldfields, how are you going to get water to work them ?—It would take at least two years to bring the water from the Vaal River to

here. I think you are rather premature in saying that in 1900 there will be that many stamps on the fields. I do not think you will be able to provide water on the Rand for such a quantity of stamps ?—Take the Rand Mines dam, for instance, that will supply an enormous number of stamps. It is already made and full, and there are other large dams being made, and we are not going to run our heads into dry years without providing for all contingencies.

Native labour.

In place of 70,000 natives, 140,000 would be required if 9,000 stamps were working, would there not. Do you think it will be possible to provide that number of natives ?—I see no difficulty in doing so if the Government give us real solid assistance in compelling or inducing the great native population of the Transvaal to work. I will give you figures, and you can certify them yourselves. I believe you will find, in the 3-mile radius, that out of about 30,000 kaffirs there are about 750 from the Transvaal. I say if we cannot make our 400,000 kaffirs work better than that, then I think we ought to be ashamed of ourselves.

Dividends of companies of Barnato group

About the dividends. You have six companies working. Which of them have paid dividends ?—I have not gone into that at all, but I believe all of them have.

I have a compilation of all dividend-paying mines. In the year 1896 none of your companies appear ?—I do not know as to that. But I may say the Primrose has just paid up its 20 per cent. dividend, part, in fact all, of which belongs to 1896.

Yes, but it wasn't paid in 1896. What dividends have your companies paid in 1896 ?—I cannot tell. I am an engineer and only take figures that I can prove. I can go into that.

Comparison of dynamite and gelatine.

I will ask two technical questions. About the dynamite—which is the worse, the dynamite or the blasting gelatine ?—We find there are few complaints as to blasting gelatine.

Was the accident at the Langlaagte Royal caused by blasting gelatine or dynamite ?—It was dynamite.

Fuel.

About the fuel—you said that you made great reduction in it. Did you ever make a careful investigation of the matter with respect to the different machines ?—Yes.

What is your opinion ? I have made special enquiries of a boiler inspector, and would you be surprised to hear that, with the same machinery, in one mine the cost was £50 per annum, while in another it was £200 ?—I should not be surprised. But they must be very poor and badly managed mines.

And you say you have made great reductions. Formerly there must have been a considerable waste in your companies ?—Undoubtedly. We had not the means we have now. We had, as you know, the old locomotive boilers.

At present great saving could be effected in most mines in regard to fuel ?—I daresay, and if you tell me where, in any of our mines, we burn too much, it will help us very much.

Mr. *Brakhan:*

What tonnage did you crush in the last six months of 1896, and what was the average per ton ?—We crushed 133,000 tons at the Primrose.

That is about 22,000 a month ?—A little over.

What was the quantity in the six months ending June, 1893 ?—66,400. That is 11,000 a month—half the quantity.

Labour saving machines.

You mentioned that between 1893 and 1896 you introduced a good many labour-saving machines. Would you not consider, taking the tonnage crushed during the period under consideration, that the reduction in cost, as stated here, is a very small one ?—It would be if the circumstances were the same. Put us, in 1893, into the

same ore that we are now working, and you would have probably to add 6s. per ton to the cost of 1893. In other words, we have reduced the cost in the face of greatly increased hardness of quartz and deeper mines. When I left the Primrose one blacksmith sharpened drills for five times more tonnage than was done at the Royal when I went there. In other words, after sinking a three-foot hole, we used five drills to one at the Primrose. The one was in the soft ground, the other was in the blue.

What difference do you estimate there has been between the mining of the free milling ore and the mining of the present blue ore ?—I said I thought about 6s.; but I may say this, that a kaffir used to drill two, and sometimes three holes, where he now drills one.

And to that, and the dynamite, and other causes, you ascribe a difference of about 6s. per ton ?—It's a rough estimate. Reduction of working costs of New Primrose mine.

You also said that the cost of officers' salaries was in 1893 1s. 4½d., and now 7d., making a saving of about 60 per cent. ?—Seventy per cent.

Bearing in mind the tonnage crushed, the percentage gained, or rather saved, would not appear to be so high, because these charges do not increase in proportion to the tonnage ?—No. May I say, in connection with that, much has been said about the salaries paid to officials. When one official—a consulting engineer for instance—looks after, say, 12 large companies, you cannot expect him to take the same salary as if he was sitting down in one. So that, supposing you double his salary, you will reduce the cost per ton very largely. I want this point brought up. There are some of us here because we are obliged to be here for our health. I could get as big a salary at Home to-day as I do here, and there living is a third of what it is here; so I think that managers and engineers are not paid, nor the officials of the Government either, as much as they ought to be. Salaries of mine officials.

You said that mealies at the coast cost 8s., while here they cost 22s. Isn't that a slight mistake—14s. for railage and duty ?—We imported ourselves. There was one shipment that cost us 23s., and which cost 10s. in Durban. We can now buy it for 8s. in Durban, and the price is pretty much about 22s. here. Cost of mealies.

Would it surprise you to hear that our figures give the price at 9s. 7d. in Durban and 20s. here ?—That is my reckoning. It would not surprise me at all if you did.

With regard to the charges of the New Primrose for 1893 and 1896, does that include any charge for mine development and redemption ?—No. During the last period named we put on about 2s. for redemption, so that our cost for the six months ending 1896, including redemption, was 25s. roughly. Working costs of New Primrose mine.

Mine development is of course part of the working cost ?—This 2s. has nothing to do with mine development.

Let us be clear. The cost is 23s., including any work for drives, winzes, etc. ?—It includes all the work. In the Primrose for instance, where I increased the development from 40,000 to 200,000 tons in sight, it was all charged against mine cost during the period of the first three years mining here.

And is it still so ?—No, it is done in this way. If they develop 30,000 tons and work 20,000 tons they give the cost credit for something, or if they reverse that, develop 20,000 tons and work 30,000 tons, they charge 10,000 tons against the costs; of course that is included in the 23s.

Mr. *Smit.*

What do you mean by improved state of economy ?—I mean the economics of the country.

Which way ?—The last table explains that. We have reduced the costs you see in No. 1 by 9s. 3d. by economising the *amount* of labour and stores. We now hope State relief.

that you will help us to reduce a further 7s. in mining and milling by reducing the *price* of labour and stores. In other words, we see that you must reduce your charges so that our coal and other stores may be reduced in price. Taking the coal, for instance, if the Raad will permit the railway company to lay the south railway they ask for, they will be able to give us all sidings. That will save us 1s. 3d. for bags, 8d. for bagging and handling, and 3s. for transport, making a very substantial saving, without a penny being taken out of the railway company's pocket. In addition to that, instead of starting at 3d. per ton for the first ten miles, I will be reasonable in saying they will start at 2d., which will give us a further reduction of 3s., so, roughly speaking, it will give us a saving from 6s. to 7s. per ton in coal. I say the economics of the country are not right if the railway can charge so much above the actual costs. In the Old Country when we have been in the same position we could lay down a railway ourselves. I remember, in the case of a railway company charging us their maximum rates, we surveyed a connection to another line necessitating a two mile tunnel, and then went to the railway company and said "we will make this and send our traffic past your line," and they had to reduce their rates. We cannot do that here.

Burdens on the mining industry.

What do you mean by the "improved conditions of the country"?—I mean the heavy rates for everything imported—coal, dynamite, etc. I do not go into high politics at all, it is simply a question of hard cash with me—a question of political economy.

Increased revenue result of relief.

You say there are certain things on which you want the Government to meet you, and we want you to point out these things.—All I would say is that, speaking from experience, I can promise the railway and the Government greatly increased revenue if you grant these abatements.

Co-operation means that something is to be done from both sides—can the Government expect that co-operation from your side?—Gladly; we have already done a good bit on our side; we have reduced our costs 14s. 3d., and we are asking you to help us to reduce them another 9s.

Quality of dynamite.

Are the accidents from dynamite of recent date?—Accidents are quite frequent even now. I am anxious to say I have no objection to Transvaal dynamite. I, as a resident of the Transvaal, have made the Transvaal my home. I should buy Transvaal dynamite in preference to any other, all things being equal. If you turned around, and said "you have got to buy from England" I would kick against it just the same, because England would sell just as bad stuff as the Transvaal.

Was dynamite cheaper formerly than now?—I think practically it is about the same.

Price of coal.

Is the price of coal higher now, or lower?—It is lower, and we are thankful to the Government for it. The reduction in the coal rates helped them very little. If they got the coal for 2d. for first ten miles, they would get a large supply from Middelburg.

Netherlands railway rates.

Are the railway tariffs of such a nature, that, notwithstanding you buy cheaper at the Ports, still articles are dearer here than formerly?—No; they are cheaper because of competition. May I suggest a figure to you, and which will help you to see how we are placed? We imported two crushers from Chicago; the rate from Chicago to New York, which is considered very high in America, is £37 5s. 10d. for a distance of 1,000 miles, and from Vereeniging here it was £39 6s.—more for 50 miles than it cost for 1,000. I don't ask you to run it at the same cost, but it shows you what America is doing for the stranger in her State—not her own children—and we ask you to do for your children to-day as well as they do for strangers.

You say you can get the same salary there and live at a third of what it costs you in the Transvaal; does not that show that our railway rates should be somewhat higher?—I acknowledge that your rates ought to be higher, but when you charge more for 50 miles than they do for a 1,000 then you come to this: That we pay you 10d. per ton per mile, while we pay the Cape and Natal 2½d. The difference is too great, although I think you have a right to more than they get.

You know that Vereeniging is exceptionally high for certain reasons?—I say you have a right to more. But the point is that if you reduced the rate you would make the Cape reduce it also. They are charging us too much. For instance they charged us £152 on the shipment I have referred to for 650 miles, while in America the charge was £37 for 1,000 miles. Both the Cape and Natal are sinners. You have got the key, and you can go and tell them that they must reduce the rate.

Supposing they say they wont?—You say they have got to do it, and we will back you up.

We must get the goods along their railway?—You simply tell us which Government won't do it, and we will simply say to them that we won't order a single ton of goods into their docks, whether it be Delagoa Bay, Capetown, or Durban. You can rely on co-operation from us.

Further reduction of working costs possible.

What do you mean by a possible reduction by improved management—which management do you mean?—Mine management.

What improvements can be effected.

Are there any faults you can lay your hands on which can be improved?—This estimate is made of 1890. It is what I call an ideal or illustrative estimate. We have acomplished that saving of 9s. 3d. by the means shown. The second estimate of reduction is what we want you to help us to do, to make it 20s. per ton, including salaries. The estimate I have always had fixed before me of 20s. is what we must bring our costs down to. We have done what we can to the extent of 14s. towards that, and we ask you to help us towards getting a further 9s.

Supply of native labour.

In what way would you suggest that we can ensure a good supply of kaffir labour?—That is rather a difficult question for an engineer to answer. We have great difficulties in getting Transvaal kaffirs. As an instance, I sent one man up to get a large number of boys, and he wired, saying he had got them ready, but that the official would not allow them to come out without payment of 10s. per head. My man wired: "Shall I pay it?" I replied: "No." And then he wired to say that a proclamation was at once put out, saying that owing to smallpox the boys would not be allowed to leave the district. That is a negative way in which you can help us. The positive way is to put on hut tax. The Dutch, who are more accustomed to working the kaffirs than anyone else, are well able to devise means to make them work.

Native Commissioners; exaction by.

Where there is no complaint how can the Government interfere. It is just as difficult for the Government as it is for you?—I quite see that.

Chairman.

Reduction of cost of white labour.

Have you been obliged lately to discharge white miners?—I am not now manager. We have been for the last six months on some of our mines reducing our staff. In fact, in every possible way we are reducing costs. I myself am to-day without a salary from the company, and I may say, further, you think our expenses are charged to the companies. My salary has never been charged to the companies as consulting engineer. Messrs. Barnato Brothers have paid that. We are now touching our own pockets, giving valuable time without remuneration. The directors are drawing hardly any fees. I am on about seven or eight companies, and I have got a small fee from one company this year—about £8—for directors' fees. I give that as a sample.

I am managing director and acting manager of the Langlaagte Royal, and that without a salary. The directors meet every week, and charge no fees. We are simply doing everything to reduce costs to the very lowest possible limit.

The Chairman said he wished to thank Mr. Hamilton for the statistics he had given. The way he had prepared his statement had saved a lot of time to the Commission, and he (the Chairman) was very pleased to hear from what Mr. Hamilton had got to say, that there would be co-operation from the group he represented. The points he had brought under notice would have the best consideration.

Mr. Hamilton, in return, thanked the members of the Commission for the consideration they had shown him.

In supplying the figures *re* European wages and stamps crushing on the Rand, Mr. Hamilton added the following:—May I say that but for your preferring to question me instead of my giving an opening statement, I had intended mentioning one or two important points in which the Government and Raad had helped us, namely—the Native Liquor Law, the Native Pass Law, and the Public Purity Law. These are admirable laws, and I take the opportunity of heartily thanking the Government for them; and of pleading that the necessary staff may be provided to adequately enforce them. Your Honourable Commission has only to enquire into this to find that considerably more money must be provided to do this, else they will become a dead letter or worse; in fact, the Pass Law is far from being a real help now. I desired also to call your attention to the terrible injury done to the country and to the burghers thereof by the Iron Concession. Years ago, but for this concession you would have had iron and steel works started. On the behalf of European capitalists, I approached the holders of this concession in 1889, for permission to make and manufacture iron and steel, and the lowest terms they would give was a royalty of 2d. per lb., or nearly £20 per ton, which was, of course, prohibitive. The iron and steel industry is a better industry for the permanent welfare of the country than gold, and if you consider the money sent out of the country since 1889 for iron and steel, that could have been manufactured here, you will see what this country has lost through a concession that has only blocked the way of progress.

Liquor, Pass and Purity laws.

Iron concession.

Mr. Raleigh's evidence.

Mr. FRANK RALEIGH stated he was secretary of the Rand Mines since the 1st January; previous to that he was business manager and secretary of the Rand Central Ore Reduction Company, and was seven years secretary of the Crown Reef Gold Mining Company.

Chairman.

On what points can you give evidence?—I can give the Commission information regarding the railway charges on machinery. I can give the general working costs of the only mine that is producing in the Rand Mines Group—Geldenhuis Deep.

Mr. *Hugo.*

Will you be able to give information regarding the native labour question and labour generally?—No, I cannot give information on that.

Chairman.

Railway rates

Begin with the Railway question.—I have prepared a statement showing the cost of importing machinery, taken from the Rand Mines' books, the statement shows the percentage of total importing charges. Railway charges vary from about 12 to 460 per cent., but that is an outside case.

Is that calculated on the cost?—Yes. There is one item in connection with the delivery of goods by the railway department that I would like to draw the Commission's attention to. The railway delivery is to take place free within 2½ miles radius. The Langlaagte Deep lies within a mile from the 2½ miles radius, and the charge for delivery is 3d. per 100 lbs; at that price delivery can be obtained direct from the goods station. The mine gets no consideration for the 2½ miles radius for free delivery. The charge for delivering heavy weights, say between 15,000 and 20,000 lbs. weight, is 1s. per 100 lbs. The same work we can get done for 6d. The working percentages of the Geldenhuis Deep are:—Native labour for the year 1896, exclusive of food, appears at 21·2 per cent.; food cost, 3·89 per cent.; white labour, 35·89 per cent.; coal, 8·45 per cent; dynamite, 10·7 per cent.; cyanide, 2·2 per cent.; and the balance is made up of sundry items.

Delivery charges on the Netherlands Railway.

Geldenhuis Deep working costs.

Mention some of them.—Zinc, ·15 per cent.; oils and lubricants, 1 per cent.; candles, 1·36 per cent.; dies, quicksilver, and screening for the mill, 1 per cent.; sundry stores, assaying, chemicals, and machinery, 5·6 per cent.; insurances, licences, rents, printing and advertising, premium on natives, and sundry items, 5½ per cent.

Mr. *Smit.*

Is the delivery of coal charged in the 8 per cent.?—Everything is included.

How much does it cost at the pit's mouth?—Our price is for delivery at Elandsfontein. The price at the pit's mouth may be estimated.

Mr. *Hugo.*

In the 36 per cent. you put down for white labour, does that include office expenses, manager's salary, and directors' fees?—Manager's salary is included, but directors' fees are not included; they only amount to £92 8s. for the year.

Salaries of mine officials.

All office expenses are included in that, except directors' fees?—I think the head office salaries are not included; they amount to £840 for the year.

Chairman.

You have not stipulated in that statement what the price of coal is, and how much it costs for carrying it; would you specify how much of that 8½ per cent. is freight, and how much really is the cost of coal?—That I only will be able to estimate.

Railway rates on coal.

You see there is a complaint about the high rate charged for coal, and I am anxious to fix the percentage of the freight on coal?—I have not got the information, but I can obtain it.

You say the freight on machinery varies from 12 to 460 per cent.? I notice there is one as low as 7 per cent.—The 460 per cent. is an outside case—it was the freight on Portland cement.

Cement railway rate.

Mr. *De Beer.*

One would expect a far heavier expenditure on a deep level property than on an outcrop mine. I see several of your expenses are less than the expenses handed in of several of the outcrop companies. Their working expenses come to 29s. 6d., and your expenses are shown at 25s. Can you adduce any reason for that?—Probably better equipment; improved machinery might have a good deal to do with it. Some of the outcrop companies have not the most improved machinery; the deep levels are being equipped with the very best.

Economy of deep levels.

What is your yield per ton?—For the year 1896 it was 6½ fine dwts.

Annual yield of Geldenhuis Deep.

Including cyanide ?—Including the yield from all sources.

What is the value per ounce of fine gold ?—£4 4s.

So that your profit was about 3s. per ton ?—2s. 4d., exclusive of interest on debentures and advances.

Was the mine developed twelve months ago ?—It commenced milling in December, 1895. But more than 6½ dwts. was not to be expected, and so far as I know the outcrop South Reef is estimated as being struck at 3,000 feet.

Is it not possible that the reef is faulty ?—6½ dwts. is the average for the twelve months.

Bonanza assays.

The Bonanza is a deep level, and it goes much more than 6½ dwts. ?—Very much more. I believe the Bonanza goes 20 dwts.

Over an ounce ?—Yes; but the Bonanza is in a very rich area.

Ferreira, Worcester and Wemmer deep levels.

Won't the Ferreira, the Worcester, and the Wemmer deep levels also be very rich ?—We hope so.

So that you cannot take 6½ dwts. as an average yield ?—I don't think so.

Do you know a French engineer called Mr. F. Pollock, and have you read his report ?—No.

It is perhaps not quite fair to put these questions as you are not an engineer. At the same time I am pleased to get your statement; it is a true extract from your books and disproves the report of Mr. Pollock, who says deep levels cannot pay, and that it is impossible for them to pay.

Mr. *Schmitz-Dumont.*

You say white labour on the Geldenhuis Deep costs 36 per cent. Is not that very high compared with other mines, where the average is between 25 and 30 per cent. ?—I know no reason why white labour on the Geldenhuis Deep should be greater than other mines.

Salaries of directors and mine officials of Geldenhuis Deep.

To what account do you charge directors' fees ?—General expenses.

In what way are they calculated ?—One guinea per meeting. Meetings are held fortnightly, and the total amount paid in 1896 was £92.

There is no proportionate share of profits in the Geldenhuis Deep ?—No.

Can you give us what salaries are drawn by the mine secretary, workmen, and managers—especially the officials charged with administration ?—The manager gets £1,500 per annum; mines' secretary, £540 per annum; storekeeper, £300. I do not remember what the compound manager is paid, but he is not a highly paid official. The assayer gets £480 per year.

Do you think other mines pay about the same to their officials, or do you know of mines where they receive much higher pay ?—I don't know of a case, but I believe there are cases where they are more highly paid.

RAND MINES, LIMITED.

Details of Importing, Cost of Machinery, Plant, etc., via East London.

make, together with the bonus?—I give the average now of nine shafts—the cost of white labour averages 27·43 per cent., and of native labour 33 per cent.

Percentage of white and native wages on working costs on mine shafts.

Which percentage of the total working expenses of the mine is represented in paying bonuses to white men?—All the work we do in the mine is sinking shafts; we do no stopes, we are not yet on the reef, and these figures cover the entire cost. The percentage is as I said, 27½ and 33. The timber and the framing, 15 35-100ths per cent.; lubricants, 56-100ths per cent.; fuel, 4 69-100ths; general stores, 7 48-100ths; maintenance 1 15-100ths; office expenses, London office, and so on, 5 per cent.

What do you mean by fuel?—Coal.

As it is put down in the mines, including carriage from the pit's mouth?—Yes, including everything until put into the boiler.

Mr. *Brochon.*

You have said nothing about dynamite?—Explosives 5⅛ per cent.

Mr. *Hugo.*

What is the real objection raised to the bonus system you introduced?—I don't claim to have introduced it. I work it. It is an old system, and used all over the world.

Pay of white miners.

Well, what is the real objection?—The objection I have heard is that it seemed an anomaly that an ignorant miner should be able to receive £75, £80, or £100 for one month's work. But my object is to get the shafts down as rapidly, and at the cheapest possible cost; and I do not care whether I have to pay an ignorant man or an educated man. I believe I work for the interest of my shareholders, and on this system would gladly pay a man £200.

Mr. *Schmitz-Dumont.*

You say that you have a Catlin shaft, in which you sank 142 feet in one month. How many working days did they work?—About 24.

Re speed of shaft sinking.

That is sinking at the rate of 6 feet a day. Do you think that the work done at such a rate would be safe in future?—I do, and I invite inspection.

What is the distance between bearers, from 80 to 100 feet?—72 feet or less in most cases.

Of course that depends on the speed at which you want to haul?—What depends?

Say, for instance, you want to haul at 3,000 feet per minute.—Not at present. Later on perhaps.

You have not calculated that?—Yes. Our winding engines will be capable of working at that rate.

You think that the timbering would be sufficient?—Yes. We are timbering very securely, because we realise that these shafts are to be the highways for enormous traffic at high speed, and our timber is far in excess of the strength required.

Mr. *Brakhan.*

Can you tell us how many men were employed last month in sinking the shaft?—I understand you to mean white men. There is only one white man at the bottom of the shaft, and connected with the sinking of the shaft 12 white men.

In three shifts, I suppose?—Yes, per day of 24 hours.

I suppose the kaffirs clean the shaft after blasting?—Yes.

Amount of bonuses.

Twelve men then divide the bonus of £483?—Yes.

That is £40 each?—Yes.

What is their average pay per month?—£1 per shift.

That would be about £24. In other words, these men have drawn about £66 per head. I have heard that in some of these deep level shafts £150 has been paid per

head?—Each man does not get the same in the division. The white man in charge at the bottom being in the greatest danger receives the greatest amount.

What would he receive from this?—I cannot say from memory, but over £100.

Do you not think that is very large pay?—No; if I can increase my sinking 62 feet they can earn it. I believe that the progress of 80 feet in a 25 feet by 6 feet shaft is far above the average, and not long ago it was considered a record. If we assume that shaft has gone down 80 feet, and we pay the required wage and no bonus, it would have cost us £24 1s. 1d. per foot, and, as a matter of fact, it only cost £19 7s. 10d. per foot, and so it does not matter to me whether a man earns £100 or £200. Economy of bonus system.

You say the cost per foot is less. But if you had only sunk 80 feet it would have been less.—True, I take out the bonus and the cost of fuel, stores, lubricants, and I have also taken out the maintenance, although that is hardly fair.

But yet, surely, although the price per foot would be a large one, your expenditure under that would be less; therefore, I don't see how you arrive at the saving of £289?—If I save 62 feet of timbering I save 62 times that number of pounds, shillings and pence, and so on through the list.

Do you consider that with contract work you could achieve the same result?—I consider I could not. I have never been able to do it. I do not know that the men are the only men in the world who can do this, but I do know, so far as my information goes, no other men ever have done it.

Of course the speed of sinking the shaft very considerably affects the price; unless there are particular difficulties with regard to the ground, the price does not seem very cheap?—Bear in mind these shafts are not small ones, they are the largest sized shafts on the Rand. Cost of rapid shaft sinking

I know a shaft of similar dimensions on the West Rand. It has been sunk, everything included, for £15 per foot by contract work, and the speed was 90 feet a month; of course the speed was less, but the price compares very favourably with both instances you give?—I quite believe that can be done, and we could do it. Of course, should the ground get more favourable, we could reduce that price very materially.

Well, the main point is this, you establish the fact that it is advantageous to pay your men £100, or even more, per month?—If they earn it I feel justified in paying £150 or £200.

On that point I daresay opinions are divided. The 27½ per cent. for white labour includes the bonus?—Yes, and the manager's salary.

And yet the kaffir native wage comes to 33 per cent.?—Yes.

Now if in sinking a shaft 12 white men are employed, you have a certain number of white men on the surface. Can you tell me how many men there are?—Twelve altogether—nine outside and three in the shaft.

And how many kaffirs?—It depends on circumstances how many we can get out. We sometimes have 45 on the shift.

How much do these kaffirs working in the shaft get a day?—Our black labour average in that shaft only comes to 2s. 7d. and a fraction.

Mr. *Brochon.*

Do these white men working in the shaft include carpenters, who put in the frame of the timbers?—The carpenters who frame the timbers are charged in the timbering.

Yes, but they are working in the shaft?—The timbers are framed by men who do nothing else.

So you have not only three men in the shaft; you have more?—We have the timbering men up in the shaft above.

You gave an illustration, which was a very exceptional one, of a man drawing £140 to £150 a month in the shaft?—Then I only gave the illustration because I thought it would be more in my favour.

What do you reckon the average sinking will be in your shaft?—I cannot say, off-hand. We have some very bad ones, but I think the average will be up to 80 feet or 90 feet a month.

Yon have nine shafts and 12 men for each shaft. That will make 108 white men. What is the average salary these 108 white men make?—There are certain shafts that make no bonus at all, and there are certain others that do make a bonus, and the average would depend entirely on the average footage. I have not the figures, but if you desire it I will send them to you.

The average salary would not be £100?—No, it would be far below £50. The peril is not so much from the ground; we have one or two shafts in which the ground is very good, but the progress is nominal owing to a great influx of water.

Mr. *Brakhan.*

Can you tell us what the average pay for six months would be of the man who might draw in one month £100?—It would depend entirely on the progress his shaft made.

His salary is bound to vary, hardness of rock might prevent him doing much one month, and it would be well to know what his average would be for six months?—I would not like to state it off-hand, but I will send you the figures.

SIMMER AND JACK EAST, LIMITED.

Statement of Average Wages earned by men working on the Shaft, including the bonus paid, for 12 months to 31st May, 1897.

	£	s.	d.
1896.			
June	37	0	0
July	61	8	7
August	60	14	3
September	54	18	9
October	39	10	7
November	46	8	2
December	48	3	3
1897.			
January	52	11	9
February	43	18	1
March	35	15	7
April	48	8	5
May	50	14	3
	£579	11	8
Average wage for the 12 months	£48	5	11

KNIGHTS DEEP, LIMITED.

Statement of Average Wages earned by men working on the shaft, including the bonus paid, for 12 months to 31st May, 1897.

	£	s.	d.
1896.			
June	31	2	8
July	28	10	0
August	35	0	0
September	33	5	6
October	34	13	5
November	31	9	3
December	29	0	6

1897.	£	s.	d.
January	22	6	1
February	26	3	4
March	26	1	1
April	28	14	6
May	31	16	5
	£358	2	9
Average wage for the 12 months	£29	16	10

MR. WM. DALRYMPLE was the next witness called. He made the following statement: Mr. William Dalrymple's evidence.

I have resided permanently in this country for nine years, and have been, during that period, more or less connected with the exploitation of the mineral resources of the country, and latterly, in the actual mining of gold on these fields. I have for the past five years permanently resided in Johannesburg, and during that period have been the representative of the Anglo-French Exploration Company, Limited, which company is a financial corporation, having its head offices in London and Paris. In the meantime, during the absence of Mr. George Farrar, I am the representative of the Anglo-French Farrar group of mines. These mines are situated in the Boksburg district, commencing at the Driefontein Consolidated Mines, Limited, and finishing at the New Kleinfontein Company, Limited, a distance of approximately from eight to nine miles along the reef. During the time I have been in Johannesburg, we have been engaged on an entirely new section of the Rand, which has been opened up and exploited during the last five years. With one exception, none of these mines can be termed high grade mines, but are all considered highly-payable by the exercise of the strictest economy, and consequently the suggested reductions enlarged upon by previous witnesses have special importance with our group of mines. Following on the very exhaustive and lucid statements which have been made by the gentlemen preceding me in this enquiry, I feel in coming before this honourable Commission at this stage, that I can only bear further testimony, and affirm the evidence which has already been led up, setting forth the excessive taxation which this gold industry, in the past, has been called upon to bear; therefore I do not feel justified in wearying the honourable Commission by detailed recapitulation. I shall, therefore, be as concise as possible. The Anglo-French-Farrar group of mines.

In the matter of white labour, I was, at one time, of opinion that material reductions could be effected under this heading, which constitutes the heaviest charge in the working costs of these mines, but, after careful analysis of the cost of living at present on these fields, and making due allowance for the expense incurred in transporting oneself from Europe to the Witwatersrand, there is little margin left; and I consider that the evidence of Mr. Fitzpatrick on this point can be accepted as the absolute position, and, if it were not for the fact the various companies interest themselves in and provide suitable accommodation for their employees, and also see that they are properly and reasonably catered for, the margin between their wage-earning capacity and their expense of living would be indeed infinitesimal. The average pay of all whites on our properties, including charges for administration, works out at from £22 10s. to £24 14s. per month. White wages.

In the matter of native wages, it has recently been decided by the industry to reduce the native wages by 30 per cent.—this is, of course, only as far as the actual wages are concerned. I would, however, point out to the Commission that the cost of Native wages. 30 per cent. reduction of native wages resolved upon.

bringing the labour to these fields, and the feeding of the natives, remain the same; therefore, the actual reduction is considerably less than what appears on the face of it. The item of expenditure by the companies in bringing native labour to these fields is a very serious one, which you will fully recognise when I tell you that it cost the East Rand Proprietary Mines, from the commencement of 1896 up to the end of March last, a sum of £8,204 5s. 3d.; and I may say the greater portion of this was paid away in railway fares, and, bearing in mind the extremely poor accommodation provided by the Railway Company, the charges are outrageous. I thoroughly endorse a previous suggestion, that the Netherlands Railway Company should transport labour for these mines at a more or less nominal rate.

Cost of transport of natives to East Rand Proprietary Mines during 1896 and to March, 1897.

Reduction required of cost of transport of natives by Netherlands Railway.

The Pass Law.

The Pass Law is an admirable law provided it is properly administered, but, although we have had every assistance from Mr. Maré, the Landdrost, and Mr. Klynhans, the Mining Commissioner of Boksburg, in trying to recover deserters, still the fact remains that, from September to March, we had 245 deserters from the New Kleinfontein Company, and not one single native was recovered. I am perfectly convinced that it was never the intention of the Government, nor did they anticipate, that such large amounts of money would be received through fines; therefore I suggest that the carrying out of this important law should be entrusted to a local Advisory Committee, under a responsible Government official, which, in view of the past receipts, would absolutely be made self-supporting. The Advisory Committee would have access to every mine on the Rand, and would thus be in a position to learn of the desertions which take place, and how to counteract the same; and would endeavour to make all managers deem it a point of honour to refrain from engaging boys where there was a suspicion of desertion; and in other ways would gradually perfect the administration, which can only be done by establishing a thorough co-operation amongst all the mines. I am not in a position to say how much these fines have amounted to since the law was promulgated, but I would point out that, whereas previous to these depressed times, the fines of boys were readily paid, latterly, in our own district of Boksburg, the gaol has been overcrowded with deserters, who fail to procure the £3 fine, and, as there was no further prison accommodation, the Landdrost was obliged to reduce the fine from £3 to as low as 3d., which clearly proves how unmanageable the present method of administrating the law has become.

Deserters from New Kleinfontein Company, from September, 1895, to March, 1896.

An advisory board desirable to administer the Pass Law.

Failure of actual system of fines

The Liquor Law

So unanimous has the evidence been on the desirability, nay, absolute necessity, in the interests of the mining industry, of a strict enforcement of the liquor law, that further testimony is unnecessary, but I must again refer to the assistance rendered us by Messrs. Maré and Klynhans, which has gone greatly towards mitigating this pest in our district. It is hopeless to expect, however zealous the Landdrost is, to subdue this evil whilst low kaffir eating houses and traders are licensed and permitted to trade in the mining areas. If all such licences were refused it would greatly facilitate the duties of the authorities, and I would therefore suggest that all eating-houses and other than respectable stores be abolished, similarly to the low canteens. For example, there are about ten disreputable stores or eating-houses on the boundaries of the East Rand Proprietary Mines, and it is self-evident to any business man that it is impossible for them to live legitimately. At the New Kleinfontein Company, since the extension of the licences, drunkenness amongst the natives has again become very serious, and from 10 per cent. to 13 per cent. of the native labour is incapable for work owing to the effects of liquor.

Kaffir eating houses and canteen licences.

Percentage of drunkenness at the New Kleinfontein Company since the extension of the licenses.

Dynamite. Expenditure of and excess cost to East Rand Proprietary

In affirming the statements of Messrs. Albu and Fitzpatrick under the heading of Dynamite, I will simply state that the East Rand Proprietary Mines spent £20,506, and the New Kleinfontein Company £8,983 for dynamite respectively for 1896, which means

that owing to this concession it has cost these two companies £10,000 and £5,000 respectively more than it would have done under reasonable circumstances.

and New Kleinfontein companies in dynamite.

The question of Railway Rates has also been very fully dealt with by Messrs. Albu and Fitzpatrick, and I simply give you a few examples of the difference in the European cost, and the cost as delivered at the mines here, analysing the various charges. (See statements 1, 2 and 3.) I will now give you the details of actual cost of bringing machinery, &c., from England to Johannesburg. The statements given do not include any commission which has to be paid to an agent in London for buying and shipping, neither do they include any profit to the importer. I may add that my figures are based on actual data, and all the separate charges are detailed. Statement No. 1 (Compressor).—This is for a compressor. The machine costs in England £1,269; by the time it reaches here the cost is £2,018 17s., or the charges come to 59 per cent. on the Home cost. The rail carriage in this case is the most important item, as it amounts to no less than £383 15s. 10d. By working out this consignment, I find that the Cape Government Railway charges 9s. 4½d. per mile for conveying 113,716 lbs. (which is the total weight of the compressor), and the Netherlands Railway charged £1 16s. 5½d. per mile, or £1 7s. 1d. per mile more than the Cape Government Railway. These figures speak for themselves, and I have the statement here showing all the percentages worked out in detail, and you will see that the rail carriage is in excess of all other charges. Statement No. 2 (Rails).—This is for rails used on the mines here. The rails cost in England f.o.b. £97 5s. 8d., and by the time they are delivered here the cost is £296 8s. 2d., or the charges come to 204 per cent. more than the Home cost of the rails. The rail carriage alone from East London to Johannesburg comes to £158 1s. 2d., or 62½ per cent. more than the original cost of the rails delivered on steamer. Take for example:—Supposing I were to purchase a ton (2,000 lbs.) of rails in England at a cost (for the sake of argument) of £5, I should have to pay £6 15s. for rail carriage only, from East London to Johannesburg; that is to say, the rail carriage only would cost £1 5s. more than the manufacturer charges for the rails, and sometimes rails can be bought cheaper than £5 per ton. Rails are in everyday use on the mines, and a very large quantity is used. Statement No. 3 (Carbon for retorting purposes).—A mine with which I am connected decided to import 10 tons of carbon for retorting, and the cost delivered free on board the steamer was £20 exactly, or £2 per long ton (2,240 lbs.) By the time the carbon was delivered at Johannesburg it had cost, with charges, £132 6s. 4d., or the charges were 561 per cent. more than the original Home cost. The rail carriage from East London to Johannesburg was alone £75 12s., or just over 3½ times as much as the manufacturer charges for the stuff itself. It is surely needless for me to add any remarks with regard to these figures, as, in my opinion, they speak for themselves only too strongly. I have given you an extract from three costs, and shall be pleased to hand the detailed statement over to you if you desire it, for publication or otherwise. You will notice that I have based all my calculations on goods coming *via* East London, as this is the cheapest port for these fields, with the exception of Delagoa Bay (Durban rates being equal with East London). In the case of Delagoa Bay, the railway rate to Johannesburg upon the goods I have already mentioned is £6 per ton, instead of £5 15s. per ton from East London, but against this saving in railway carriage the following have to be taken into consideration:—

Railway rates.

Price of air compressor at English cost price, and when delivered in Johannesburg, with extracts of charges.

Cost of rails at English cost price, and when delivered in Johannesburg, with extracts of charges.

Cost of ten tons of carbon at home price and when delivered in Johannesburg, with extracts of charges.

Railway rates from Durban, East London, and Delagoa Bay to Johannesburg.

Drawbacks to Delagoa Bay route for imported goods.

Increase in sea freight.

Increase in receiving and forwarding charges on account of the great difficulties to be contended with at Delagoa Bay.

Delay in despatch. ... ...

Elandsfontein and Boksburg rebates on Johannesburg port rates

In having goods brought from the Cape ports and Natal, should you take delivery at Elandsfontein, the Netherlands Railway allow you 4d. per 100 lbs., and for delivery at Boksburg, 2d. per 100 lbs., from the through rate to Johannesburg. But if you have goods brought from Delagoa Bay the Netherlands Railway will not allow you any rebate when goods are delivered at Elandsfontein or Boksburg. I understand the Netherlands Railway have been asked why this should be, but, as usual, no explanation is forthcoming. Leaving out of consideration the amount overcharged, the principle is most decidedly a wrong one. Last year we thought it advisable, owing to the rinderpest, to protect ourselves by importing mealies from America, and the companies we represent bought conjointly during 1896 25,000 bags, which, after having been sown, reaped, bagged, and landed in Durban, cost 9s. to 9s. 6d., and before they were delivered at our siding at the New Comet Company the cost had reached 21s. to 22s. per bag, the mileage from Durban being only 350 miles. Further comment is unnecessary. Assuming, for argument's sake, that owing to it being a new line the concessionaires might reasonably expect to make liberal charges during the earlier period of its existence, but now they have got the line well ballasted and everything is running satisfactorily, and further they have done exceedingly well, therefore it is only reasonable to expect that the Railway Company should make marked reductions on the rates of their own free will and accord without having pressure brought to bear, if only from the desire to encourage traffic over their line. In concluding my statement, I would strongly advocate the appointment of a Mining Board made up of a fair representation from the leading members of the industry, who, together with the necessary Government nominees, would constitute a permanent committee for the guidance of the Government in all matters connected with the administration of the various laws directly concerning the welfare of this industry. In other words, the Government should enlist the knowledge and experience of those who are not only experts but trustees of huge interests of the European investor. Such a course would relieve the Government of an immense amount of responsibility and detail work, and would promise faithful and honourable co-operation in all matters affecting the industry, and hence the progress of the State. A careful analysis of the figures already laid before this Commission will clearly prove that at least a half of the total number of companies at present existing are simply in the balance of profit and loss, and substantial reforms, if granted, would immediately turn the scale, and place them on a sound footing, and, in addition, give an immense stimulus to the exploitation of idle gold-bearing ground.

Cost of transport of mealies from Durban to New Comet Company.

Reduction of railway rates.

Mining board recommended: its nature and advantages.

Necessity of immediate reforms for the mining industry.

STATEMENT NO. I.

Analyses of costs of air compressor, originally bought in England, when delivered in Johannesburg.

Actual cost of air compressor from England to Johannesburg *via* East London :—

	£	s.	d.	£	s.	d.
Cost delivered free on board steamer	1,269	0	0			
				1,269	0	0
Insurance	21	13	2			
				1	3	0

Freight and primage to East London per steamer :—

653ft. 8ins. at 71s. 3d. per ton 40c. ft.	64	0	10
95ft. 2ins. at 59s. 3d. per ton 40c. ft.	7	15	1
392ft. at 95s. per ton 40c. ft.	51	4	1
131ft. 5in. at 47s. 6d. per ton 40c. ft.	8	11	7
119ft 6in. at 37s. 6d. per ton 40c. ft.	6	3	0
13:13:2: 0 at 118s. 9d. per ton 2,240lbs.	89	6	4
6:14:3: 0 at 71s. 3d. per ton 2,240lbs.	26	8	1

	£ s. d.	£ s. d.
2:14:0: 0 at 59s. 3d. per ton 2,240lbs.	8 16 0	
12:5:1: 8 at 47s. 6d. per ton 2,240lbs.	32 1 1	
9:2:19 at 37s. 6d. per ton 2,240lbs.	1 0 0	
... ...		295 6 1
Entries and stamps at East London	0 10 6	
Wharfage at East London, £1,269; add 5 per cent., £63 9s.; total, £1,332 9s.; 10s. per cent.	6 13 3	
Cranage at East London, 72 tons at 6d. per ton	1 16 0	
Forwarding and receiving at East London, 72 tons at 2s. per ton	7 4 0	
		16 0 0
Rail carriage from East London to Vereeniging: 113,716lbs. at 5s. 1d. per 100lbs.	289 0 7	
Rail carriage from Vereeniging to Johannesburg: 113,716lbs. at 1s. 8d. per 100lbs., total 6s. 9d.	94 15 3	
		383 15 10
Transvaal duty: £1,269, add 20 per cent., £254, total £1,523, 1½ per cent.	22 16 11	
Transport to Mine: 80,500 (being over 3000lbs. each package) at 3d. per 100lbs.	10 1 3	
		32 18 2
		£2,018 17 0

The above does *not* include London agent's buying and shipping commission.

Total cost delivered	£2,018 17 0
Home cost	1,269 0 0
Total charges	£749 17 0

Or 59 per cent. total charges on Home cost.

Percentages made up as follows:— Percentages of charges on home cost of air compressor

Insurance	1¾ per cent.	
Freight by sea... ...	23¼ „	
Coast charges	1¼ „	
C.G.R. rail carriage ...	22¾ „	30¼ per cent.
Netherlands do. ...	7½ „	
Transvaal duty ...	1¾ „	
Transport	¾ „	
... ...	59 per cent.	

Rail carriage on whole consignment:—

Per Cape Government Railway: 615 miles, at per mile	0 9 4½
Per Netherlands Railway: 52 miles, at per mile	1 16 5½

Comparison of rates of Cape and Netherlands Railway for transport of an air compressor.

Showing that the Netherlands Railway charged £1 7s. 1d. per mile more than the Cape Government Railways. (This is calculated on total weight, viz., 113,716lbs.)

Analysis of cost of rails originally purchased in England, when delivered in Johannesburg.

STATEMENT NO II.

Actual cost of rails from England to Johannesburg *via* East London :—

	£ s. d.	£ s. d.
Cost of rails delivered free on board steamer	97 5 8	97 5 8
Insurances	0 13 10	0 13 10
Freight and primage to East London per steamer	34 13 1	34 13 1
Entries and stamps at East London	0 10 6	
Wharfage at East London, £97 5s. 8d.: add 5 per cent., £4 17s. 3d. Total, £102 2s. 11d., 10s. per cent. ...	0 10 3	
Cranage, 23½ tons at 6d.	0 11 9	
Forwarding and receiving, 23½ tons at 2s.	2 7 0	3 19 6
Railway carriage from East London to Vereeniging, 46,832lbs. at 5s. 1d. per 100lbs.	119 0 7	
Railway carriage from Vereeniging to Johannesburg, 46,832lbs. at 1s. 8d. per 100lbs.	39 0 7	158 1 2
Transvaal duty ... ... £ s. d. 97 5 8		
Add 20 per cent. 19 9 2		
116 14 10 1½ p.c.	1 14 11	1 14 11
		£296 8 2

	£ s. d.
Total cost delivered	296 8 2
Home cost of rails	97 5 8
	199 2 6 or 204¾ per cent. total charges on Home cost.

Percentage of railway rates on home cost of rails.

The rail carriage in the case of rails is 62½ per cent. more than the Home cost of the goods themselves, delivered free on board.

	£ s. d.
Rail carriage	158 1 2
Home cost of rails	97 5 8
Difference	£60 15 6 in excess of Home cost.

Analysis of cost of importation of carbon.

STATEMENT NO. III.

Actual cost of retort carbon from England to Johannesburg, *via* East London :—

	£ s. d.	£ s. d.
Cost of carbon delivered free on board steamer	20 0 0	20 0 0
Insurance	0 4 10	0 4 10
Freight and primage to East London per steamer, 10 tons at 60s. per ton	33 0 0	33 0 0
Entries and stamps at East London	0 10 6	
Duty at East London, £20; add 5 per cent., £1. Total, £21, 5 per cent.	1 1 0	

		£ s. d.	
Wharfage at East London, 10s. per cent		0 2 1	
Cranage at East London, 11½ tons at 6d. per ton		0 5 9	
Forwarding and receiving 11½ tons at 2s. per ton		1 3 0	
			3 2 4
Rail carriage from East London to Vereeniging, 22,400lbs. at 5s. 1d. per 100lbs.		56 18 8	
Rail carriage from Vereeniging to Johannesburg, 22,400lbs. at 1s. 8d. per 100lbs.		18 13 4	
			75 12 0
Transvaal duty	£20 0 0		
Add 20 per cent.	4 0 0		
1½ per cent.	£24 0 0	0 7 2	
			0 7 2
			£132 6 4

The above does not include London agent's buying and shipping commission.

Total cost delivered	£132 6 4
Home cost	20 0 0
	£112 6 4

or 561½ per cent. total charges on Home cost.

The railway carriage in this case is the most important item, it being 278 per cent. more than the Home cost of the carbon itself delivered on board steamer.

Comparison of home cost of ten tons of carbon and railway rates on the same consignment.

Rail carriage	£75 12 0	over 3¾ times as much as the carbon cost in England.
Home cost of carbon... ...	20 0 0	
	£55 12 0	in excess of Home cost.

Chairman.

How many white labourers have you had on the mines these last few years?—Two years ago they were about 500; now they are reduced to 250.

Reduction of white labour on mines of Anglo-French-Farrar group.

What is the reason for that?—Principally on account of curtailing works, owing to some of the companies having run short of money. I would just point out that our district is a new one, and most of the mines are in the development stage.

So far as I can gather from your statement, all your mines are payable except one?—No; what I do say is, they are all considered low grade mines except one.

Grade of Anglo-French-Farrar group of mines

How about your black labour? How many had you a couple of years ago, and how many have you now?—About 8,000 previously, and this number is now reduced to 4,500.

Reduction of native labour.

I understand that you do the same amount of work with less quantity of labour, because the mines have been opened up?—No; there has been a curtailing of construction work.

Mr. *de Beer.*

How long have these mines been in existence?—Only for the last five years; of course, in the early days they had been prospected, but they were practically dormant.

What is your cost of production per ton?—We have only two mines running just now in the shape of milling—the New Comet, the Angelo—and the Kleinfontein

Working costs of New Comet and Angelo.

started on 1st April. We have not got the costs from the Kleinfontein; for the other two the average is somewhere about 27s. 6d. to 30s. per ton.

Was this the price of labour in the year 1891?—These mines were not crushing in 1891.

When did the mines begin crushing?—The Angelo only about a month ago; the New Comet has been crushing regularly for about six months.

Wages in 1897 and 1891.

Have wages gone up or down since 1891?—I should think they have gone up a little on the average.

Wages in 1895 and 1897.

You have got no figures here?—No; but I consider wages have gone up in this way. Higher wages were paid higher officials. During the excess inflation of two years ago, there was a considerable demand for expert labour, and groups were inclined to compete for labour; but that, I think, is gradually coming down again.

Then two years ago labour was paid higher than now?—A little; though I think they are certainly attempting to reduce wages.

Labour in 1895 and 1897.

Is not labour much more plentiful now than then?—I don't consider good labour is.

Still it is more plentiful?—Yes.

Native labour in 1895 and 1897.

As regards native labour; it is surely cheaper and more plentiful than two years ago?—Yes; and I think it is gradually being brought to a better quality. To my mind, the great trouble is due to the "bad" boys we have been getting.

Railway carriage and mine machinery in 1897 and in 1895.

How about railway carriage; is that higher than two years ago?—A little less.

And machinery has been very much improved?—There is a very much better class of machinery.

So all these matters have changed in favour of the mines?—Yes; but the mines are being worked on a larger scale, in which case they require larger machinery, which has been perfected from time to time.

Working conditions of mines in 1897 and in 1895.

Therefore, I may conclude from your evidence that the mines work under more favourable conditions than was the case two years ago?—Somewhat more favourable.

How is it that only several mines, and not all of them, are benefiting by better machinery and cheaper labour?—I think they are all benefiting by better machinery

How do you account for the circumstance that at the present moment several mines do not pay, whereas two years ago they did pay?—I think that two years ago mines were worked with the expectation of them being able to pay; but latterly they have got rid of their working capitals, and naturally the only course open to them is to curtail work for the time being, and at the same time entertain the hope that they will get facilities for cheaper working.

Over-valuation of mines in 1896.

But how is it they were disappointed in these expectations where the circumstances have been proved?—I think they over-valued the mines in those days, and expected better returns than they have actually had.

Transit dues on machinery.

What are the transit dues on machinery in Cape Colony?—There are no transit dues on machinery to the best of my knowledge.

Not to your knowledge?—No; I don't think so.

All the figures given here by you, are they all charges in connection with the machinery?—They are absolutely taken from shipments.

Purchase of machinery.

Where do you buy your machinery?—It is bought in England from different people, and in America.

Do you get a free hand to order where you like?—The directors order all the machinery.

Do you have a free hand?—Yes. The directors have full power, with the recommendation of their managers.

You say that the lodging-houses, or rather the eating-houses, interfere with the carrying out of the Liquor Law?—Yes. Eating houses and the Liquor Law.

That liquor is smuggled into these houses and sold there?—Yes. It must be served up in the shape of soup or some such thing.

You mean that in the vessels in which soup ought to be served, liquor is served?—Yes. It is probably made up in some way.

Have you any suggestion to make in order to reduce this evil?—Wipe them out of the place.

How do they get their licences?—They get their licences through the officials. The Boards grant them.

What class of people usually keep these boarding-houses?—I should say Russians, as far as I know, but I do not have much to do with them.

As regards the Pass Law, I understand from you that it cannot be very well carried out?—No. Administration of the Pass Law

That one of your reasons is because the gaol is too small?—The gaol is too small, but there ought to be separate compounds for deserters, so that people could go in and see them.

Then you can go to the gaol and see the deserters there?—I suppose so. But so far as I am concerned, and most people, it is a very difficult thing.

It is probable that many of these deserters find their way to gaol?—Quite possible.

Then you say that the exacting of a fine of 3d.—less than the maximum of £3—by the magistrates has filled the gaols?—That is so; it has taken place. If the fine were kept up to £3, it would not pay a boy to desert.

Chairman.

How do you reconcile these two facts—that out of 200 and odd deserters, not one came back, and yet the *tronk* is full?—Of course, we made the formal application to the officials, to the effect that we had lost these boys, but we never got them back. The fact is, I don't think the administration is defective in this way; there are merely not sufficient officials to carry out the law. There appears to be a great deal of anxiety amongst them in Boksburg to assist us, but there are too few to carry out the work.

Who should know the kaffir best—the police or the former master?—Naturally, the compound manager.

Now, within your knowledge, has it ever been tried by the compound manager to go to the gaol and try to find the boys?—Yes, they have, but could not recognise them.

Then your argument would fall to the ground.

Mr. *Smit.*

There is really very little reason for complaint when so many kaffirs get to gaol?—We take a great deal of trouble to get deserters ourselves. We get some back from other mines. The probability is, very few get to prison at all.

You do not know, not having been to gaol to see?—I have not been there, but our compound manager has.

But you think that they don't know them individually?—It is very difficult to know them individually where you employ thousands of kaffirs.

You get back some from other mines. Did you fetch them yourselves?—Yes. We heard it from other boys.

Did you get any boys back through the efforts of the officials?—No; but I say they are very good.

It is quite possible that some of these boys of yours may be in gaol?—Not at the present time. It happened some time ago, but I don't think they ever reached gaol. They may have got into other compounds.

How can you say that if you do not send someone to the gaol, and if you do, he does not know them. You said that, of all the deserters, you got none back?—Not of the 245.

Mr. *Hay*.

Expenditure of East Rand Proprietary Mines

Can you tell us how much money the East Rand Proprietary Mines have spent?—Since they started? In everything?

Yes; in everything.—I should think it would run into a million and quarter of money.

Payment of dividends by East Rand Proprietary Mines.

They have not paid any dividends?—No. They have not reached that stage yet Is there no immediate prospect?—Not immediately. Probably some time next year

Mr. *de Beer*.

Grade of New Comet and Angelo Mines.

How many dwts. do the various mines average?—The Comet about 9¼; the Angelo for the past two months would average about 12½ or 13 dwts. It is what we call our rich mine.

Mr. *Brakhan*.

Percentage of railway rates on expenditure of East Rand Proprietory Mines.

Can you inform us how much of this money, the million and a quarter, has been spent on the various articles which have been brought here by the railway?—I could get that for you. I have not got it here.

It would be interesting to get to the conclusion how much has been paid to the Railway Company, in order to find out that if the rates had been lowered, say, 25 or 30 per cent., how much less working capital would have been required to do the same work?—I will get it for you.

Chairman.

White wages.

As regards the labour, you here state it costs £24 or £25 per month. Do you include in that directors' fees?—Yes, everything; the charges of the London office as well.

Mr. C. S. Goldmann's evidence.

Mr. CHARLES SYDNEY GOLDMANN was called. He said:—

I exceedingly regret having to say that the statement which I have in preparation is not complete for distribution, but I hope it will be to-morrow, in English as well as in Dutch.

I beg to respectfully state that I came to the Witwatersrand in the first month of 1888, and have more or less been on the Rand from that date. I have been connected in business associated with the mining industry from the date of my arrival. I have been connected with company work for a considerable time; I have been interested in the formation of gold-mining companies; I am chairman of 12 mining companies; I am a member of the Boards of numerous companies, including several dividend-paying companies and a good many producing companies; I have been connected with financing, and claim to have gained experience during my sojourn in England; I am a member of the Executive Council of the Chamber of Mines, and also a member of the Native Labour Association. I am the author of two issues of the history of these fields, and also the compiler of a map of the Witwatersrand and neighbouring groups of mines. I have been a witness of the prosperity as well as the vicissitudes of the industry. My firm is representing very considerable interests in this State, including interests in mining properties, as also real estate. I therefore submit to your kind

consideration the evidence I am about to give, evidence which I feel is given entirely unbiassed, inspired by wishes only calculated to benefit the mining industry collectively, and the interests I represent, individually. In trying to arrive at an explanation of the depression which has overtaken an industry which generally is acknowledged to combine all the elements requisite for success and prosperity, with a view to bringing about relief it is necessary not only to examine the circumstances which led to the acknowledgment of its potentialities, but to cast a retrospect of the general conditions under which the industry sprang into existence, and the various vicissitudes which it since has undergone, and to investigate all the defects and disabilities which have contributed to the present state of affairs. The reasons which, in my opinion, have attracted the attention of the public, as also the commercial mind to this country, as also the application of vast sums of capital to investments in it, or connected with its resources, is directly attributable to:—(1) The discovery of the Witwatersrand Goldfields under circumstances hitherto unknown in the history of gold mining; the gold occurring in unique deposits which, in their uniformity of character, resemble coal beds; (2) The exceptionally favourable conditions prevailing for mining, including such as a salubrious, exhilarating climate, periodical rainfalls, easy approach from the sea, and extensive coal deposits in close proximity; (3) The world's scarcity of gold, and the increasing production of gold in this country—the production for the years 1884 to 1895, inclusive, yielding 9,749,170 ozs., having a value of £33,730,427; (4) The stability of returns of some of the leading companies; (5) The aggregate of dividends paid up to the end of 1895, which amounted to £7,408,371; (6) The confident and sanguine opinions expressed by geologists of highest repute, and mining authorities notably eminent; (7) The confirmation of their opinions by independent reports made at the instance and on behalf of foreign Governments; (8) The complete record of results and the comparative facility of obtaining information and statistics, as also the facility afforded of inspecting the mines. All these circumstances led to a considerable concentration of attention from outside, and an inflow of capital to these fields, which culminated during 1895 in an unequalled and unprecedented state of universal commercial prosperity. This, however, was of comparatively short duration. An acute reaction set in, which did not fail to mark in manifesting itself most detrimentally, not only so far as the investing public was concerned, but also to the actual developments of the fields. This condition of depression, instead of abating, has become accentuated, and it is therefore necessary to enquire into the causes of the depression, which, in my opinion, are:—(1) Withdrawal of capital; (2) Disappointment to investors; (3) Over-estimated value of the richness of the reef; (4) Under-estimated cost of equipment of mines; (5) Unsatisfactory condition of the native labour market; (6) Extreme taxation to which the mining industry has been subjected; (7) Inefficient administration of laws primarily designed for the benefit of the industry; (8) Feeling of distrust and want of confidence on the part of the investing public; (9) The relaxing influence on the energies of those responsible for the maintenance of the industry, due to feelings of discouragement in failing to enlist the necessary co-operation of the authorities in matters frequently requiring immediate attention, relief, or assistance. That the causes are real is manifested by the fact (1) That many developing and promising companies are stopped for want of funds; (2) That a change of sentiment has taken place in the minds of European capitalists, who, for the time being, are indisposed to embark any further capital in these fields; (3) That the average yield of ore crushed during latter years as compared with former, has decreased; (4) That the total equipment of mines is shown to be far in excess of original estimates, sufficiently proved by the fact that the actual cash spent in mines exceeds, in many instances, four times the total original capitalisation; (5) That the companies have for

Reasons for in flow of capita into the Wit watersrand.

Causes of th present de pression.

their requirements been obliged to purchase native labour at great cost and exp to themselves, outside of the high cost for actual work done; (6) That the industr subjected to unnecessary taxation, to which it is only necessary to refer to the taxat under the head of railway rates, dynamite, and duties; (7) That a universal compl has been raised by all mining companies and their representatives of the ineffic administration of such vital laws as the Pass Law, Liquor Law, Gold Thefts L (8) Of the great depreciation in all values, and apparent apathy on the part of in tors and capitalists in spite thereof—the acknowledged effect in Europe of the i and settlement of the Bewaarplaatsen question; (9) By the difficulty experience effecting united and energetic action in questions involving spirited co-operat Having classified the causes which in my opinion have led to the depression in mining industry and its necessary reflex on trade, I will now refer to the rem

Remedy for the present depression.

Restoring of confidence amongst European investors, for which purpose the loyal active co-operation of the Government is necessary. On the part of the Govern

Government co-operation necessary.

suggestions for the better working, made on behalf of the industry, should in opinion have their friendly and prompt attention, and be considered as dictated in best interests of the industry and the country. Reference to the reports of Chamber of Mines will sufficiently prove that in the past this has not been the

Relief required.

Having gauged the conditions existing and required to make a commercial succe mining on these fields, careful study of economy in every department is necessary order to effect the largest possible margin between revenue and cost, with the us equipments of the highest class to assist in such economy. Granting of every fac for introduction of native labour by providing cheap means of access and protec on the way, and holding out inducements for the permanent residence of tra labour on these fields. Removal of disabilities in every case where it can be sh that unnecessary burdens are placed on the industry. The proper administratio all laws with the assistance and co-operation of the representatives of the indu To make every endeavour to justify every appreciation of values by actual result

After this general statement I will now endeavour to enter into a more det statement of those burdens and disabilities which affect the industry, the remova which will afford speedy relief and redress. I will begin with the Pass Law.

Pass Law—reasons for.

necessity of having a control over the natives, the necessity, too, of insuring a bin contract between the mines employing native labour and such employees, the nece also of affording complete protection to the natives coming to and going from goldfields, induced the heads of the mining industry to frame a law which was inte to cover these conditions and requirements—a law which in their opinion was to mutual satisfaction to the Government, the employer, and the employee. necessity for this law dates back as far as 1893, when representations were ma the Government to give effect to it. In spite of all the petitions and deputatio was not until October 3rd, 1895, that the proposed regulations became law, and it

Originated by mining industry.

not until May, 1896, that it became actively operative. In connection with this I wish to point out that it came into existence at the request of the mining indus that the law was framed by certain persons connected with the mining industry; it was the mining industry that solicited the Government to administer the la was the mining industry that suggested to the Government to pay consideratio the proper carrying out of the law. As you are aware, prior to the passing of

Application of pass fees.

law the pass fee per month was 1s. It was increased in order to meet the req ments of the proper administration of the law, and a further sum of 1s. per head agreed upon by the Government Commission and the industry, which was to be plied solely to the administration of this law, as will be observed from the draft which was approved by the Government Commission. The law as passed do

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Cost of transport of native labour.

Now, I wish to point out to you that this pass fee is not the only amount which adds to the expense of native labour, but it is the cost of bringing these boys to the mines, which money is all lost if the boys desert. I will give you a few instances which come under the category of companies I am interested in:—

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Pass Law good.

These are examples of direct losses, actual losses which the companies sustain without any means of recovery. I respectfully submit that the law is a good, though intricate one, and a law that, under good administration, is easily operative. But I think you will admit that in order to handle the inflow and outflow of 120,000 natives, and to have a control over them, requires more than 30 officials. I think it is wrong to attach blame to one officer in particular, and I say that with the machinery at his disposal it is impossible to administer the law satisfactorily.

Local government board for administration of Liquor, Pass, and Gold Thefts laws.

Advisory board.

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After endless deputations, petitions and memorials, a Liquor Law was introduced and brought into operation which met with the approval of the mining industry, and which was expected to compensate for all the worry and trouble which had been undergone, and be a boon to the industry. Immediately after the introduction of the law the beneficial effects of it were largely felt, and satisfactory reports were forthcoming from various mine managers. This state of affairs, regretably, was of too short

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Crown Deep	62	277	0	120	10
Crown Reef	59	95	250	?	?
City and Suburban	65	238	200	1,328	147
Glencairn	43	165	300	272	23
Ginsberg	30	50	0	160	20
Grey's Mijnpacht	8	10	20	0	10
Geldenhuis Deep	91	220	400	270	90
Geldenhuis Main Reef	20	15	0	60	12
Glen Deep	25	72	100	?	?
Jubilee	26	38	50	?	20
Jumpers	44	206	0	500	35
Knight's Deep	31	31	0	35	5
Meyer and Charlton	14	116	0	667	66
Modderfontein Extn.	12	26	153	120	9
Minerva	44	57	0	118	20
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Roodepoort Central Deep ...	12	32	...	13	1
Robinson	72	447	...	1,600	100
Rose Deep	67	133	...	300	43
Simmer and Jack East	44	100	...	137	14
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separate the application of the 1s. per head, as originally understood, but simply enacts that a 2s. tax is to be imposed. It was understood that these pass fees were to be applied to the administration of the law, as instanced by interviews with the Government (*Chamber of Mines Annual Report*, 1894, *page* 51), and not to add to the revenue of the Budget, as stated by a member of the Government in the Volksraad on February 2, 1897. I regret to say that the law has not been administered effectively. It is not for me to say to whom the blame attaches, but it is only justice to the head pass officer of the Johannesburg department to state that, in my opinion, he is not at fault, as stated by a previous witness. Continual complaints were being received by the Chamber of Mines of the ineffective administration and operation of the law, and an interview was arranged with Mr. Koch, who explained the impossibility of giving satisfactory effect to the law with the machinery which was placed at his disposal. He suggested, and it was agreed, to form a deputation to wait on the Minister of Mines and the Government, and to urge on them the necessity of increasing the staff necessary for the proper administration of the law, as also to alter some of the defective clauses in the law. In making the statement which the Minister of Mines made before this Commission, in respect to any dereliction on our part in not having presented matters to him, I think he must either be unaware of the circumstances or they must have escaped his memory, inasmuch as I formed one of the deputation who waited not only on the Acting Minister of Mines, Mr. Kleynhans and Mr. Liebenberg, but we also meant to interview the Government, who, however, were unable to see us that day. The Acting Minister of Mines suggested that we should send in a petition of our requirements in effecting the better working of the law, which we did, as per our petition. To my knowledge, the only result of this petition was the fact that the law was altered in the Volksraad in December, increasing the fines for desertion from 10s. to £3; the increase in the fine, it is true, was made at our request. I now propose dealing with this law. As you are aware, the only districts in which the pass law is proclaimed are Krugersdorp, Johannesburg, and Boksburg, each of which is administered by a pass officer and his staff. I have statistics to show that from April, 1896, to March, 1897, no less a number than 574,000 passes were issued in Johannesburg, the average registration for March having been 63,000 natives. The revenue from these passes at 2s. per head per month I estimate as giving £57,000. This sum is exclusive of fines which have accrued by reason of desertion and arrear of passes. I will take the cost now of the administration of the law in this district. I take my figures from the *Staats Almanak*, which show that, exclusive of the pass officer, there are three pass inspectors, one responsible clerk, and eleven clerks to administer the law, at a total cost of £5,760. As near as I can get it, the average number of boys employed in the Boksburg district is 44,000, giving an approximate revenue with "reis" passes of £52,800. The machinery to administer the law in that district consists of one pass officer, two pass inspectors, one responsible clerk, and four clerks, at an annual expenditure of £3,350. In the Krugersdorp district I have ascertained that there are an average of 18,000 natives, giving an approximate revenue of £1,800 per month, equal to £21,600 per annum, besides a sum of from £300 to £400 per month derived from "reis" passes. This gives a total of £25,000. The staff in Krugersdorp consists of one pass officer, two inspectors, one responsible clerk, and three clerks, at a total expenditure of £3,050. Therefore, approximately, the number of registered natives at the mines, according to what I have been able to ascertain, amounts to 120,000, with an approximate revenue to the country of £150,000. Against this the total pass administration was £12,160. Gentlemen, I should not raise this question for the sake of the money if the law were carried out in the spirit in which it was intended. I may mention that the whole

Maladministration of Pass Law

Complaints of Chamber of Mines as to Pass Law

Increase of fines under Pass Law.

Number of passes issued in Johannesburg from April, 1896, to March, 1897.

Average number of boys registered under Pass Law in Johannesburg district and revenue from passes.

Average number of boys registered under Pass Law in Boksburg district, and revenue from passes.

Average number of boys registered under Pass Law in Krugersdorp district, and revenue from passes.

Total number of boys registered, and total revenue from passes, and total annual expenditure

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Average Total Desertion, 426 per Company; Average Desertion Monthly, 55 per Company.

C. NATIVE LABOUR—PREMIUMS PAID.

COMPANIES.	1895.				1896.				1896-7 TO DATE.			
	No. of Boys.	Gross Premium Paid.	Refunded.	Net Loss.	No. of Boys.	Gross Premium Paid.	Refunded.	Net Loss.	No. of Boys.	Gross Premium Paid.	Refunded.	Net Loss.
		£	£	£		£	£	£		£	£	£
Vogelstruis Con. Deep ...	...	...	...	...	194	345	150	195	...	...	...	...
Bantjes Con. Mines ...	85	85	Nil.	85	457	601	73	529	...	...	...	...
Knight Central	...	...	...	...	237	72	12	60	...	...	...	...
Treasury Gold Mines ..	172	83	Nil.	83	369	3,116	453	2,662	...	..	...	...
Wolhuter Gold Mines ...	1,105	2,520	234	2,286	1,641	6,578	1,129	5,448	...	...	...	...
Agnes Munro	...	...	...	...	162	?	?	350	...	...	...	..
New Comet	536	?	?	1,952	762	?	?	3,570	...	..	...	...
Angelo	...	...	...	...	149	?	?	274	..	...	...	...
Driefontein Company ...	168	?	?	124	313	?	?	1,816	...	..	...	...
Marie Louise	...	...	...	...	...	...	...	...	240	727	553	173
New Midas Estate ...	...	...	...	...	385	...	...	...	450	1,418	1,281	137
York	...	...	...	...	...	...	...	...	190	219	90	129
Lancaster	...	..	...	...	...	...	...	...	500	340	106	234
Champ D'Or	...	...	...	...	1,320	..	...	...	266	309	234	75
Durban Roodepoort ...	...	..	...	...	1,167	...	...	...	1,233	Nil.	Nil.	Nil.
Roodepoort Deep... ..	...	...	...	...	...	...	...	..	600	Nil.	Nil.	Nil.
Robinson G. M. Co. ...	...	...	...	...	1,606	...	...	...	2,090	4,219	468	3,751
New Kleinfontein ...	780	?	?	2,787	654	2,160	553	1,587	...	...	...	...
Benoni	...	...	...	...	150	507	Nil.	507	...	...	...	...
Nourse Deep, Ltd. ...	...	...	...	...	?	371	Nil.	371	...	...	...	...
Geldenhuis Deep	...	..	...	...	?	?	?	3,427	...	...	...	...
Crown Deep	...	...	...	...	..	738	199	539	...	...	...	...
Worcester	...	...	...	...	...	...	..	...	420	764	383	380
Ferreira	...	...	...	...	...	...	...	...	2,041	6,648	3,026	3,621
Meyer and Charlton ...	...	...	...	...	...	...	...	...	1,092	564	171	393
Henry Nourse	...	...	...	...	...	...	...	...	1,654	612	143	468
Jumpers	...	..	...	...	...	...	...	...	1,450	4,013	1,630	2,383
Stanhope	...	...	...	...	...	...	...	...	350	...	...	...
City and Suburban ...	...	...	...	...	...	...	...	...	2,393	1,883	825	1,057
Langlaagte Estate ...	...	...	...	...	...	...	...	...	1,790	12,120	530	11,589
Crown Reef	...	...	...	...	...	...	...	...	1,792	859	171	688
Paarl Central	...	...	...	...	...	...	...	...	685	3,035	153	2,881
Robinson Deep	...	...	...	..	...	...	...	...	400	1,021	711	309
New Heriot	...	...	...	...	..	...	...	...	1,068	3,316	339	2,976
				£7,317				£21,335		£42,067	£10,823	£31,823

In 1895 ... ... 6 Companies alone show a Loss of £7,317
In 1896 ... ... 14 ,, ,, ,, 21,335
In 1896/1897 to date 17 ,, ,, ,, 31,823

Which latter represents as near as possible 75 per cent. loss of their outlay.

NATIVE LABOUR PREMIUMS PAID

French Rand G. M. Co. (23)	Yes.	By all canteens on our property and adjoining.	25 per cent., and this week work has been stopped to a great extent.	6 stores
Great Eastern (24)	Yes.	—— bar, just over our boundary.	Varies considerably.	3 bars kaffir Can't c
Grey's Mijnpacht (25)	Yes.	Canteen and kaffir stores.	30 per cent. Sundays. 10 per cent. Mondays.	None.
Horsham Monitor (26)	Yes.	Canteen and kaffir stores.	10 per cent. periodically.	None.
Henry Nourse (27)	Yes.	Hotel, eating houses, etc.	25 per cent.	1 bar, 2 bar houses
Jumpers (28)	Yes.	Hotel, eating houses, etc.	200 to 300 on Sundays.	1 bar, white b ary.
Jumpers Deep (29)	Yes.	—— bar; sold openly.	5 per cent.	None.
Jubilee (30)	Yes.	Cannot.	10 per cent.	1 store,
Langlaagte Deep (31)	Yes.	Paarl's Hoop village.	About 40.	None.
Langlaagte Star (32)	Yes.	Cannot say.	Very few.	None. eating bounda
Lancaster (33)	Yes.	Eating Houses and Bars.	About 15 per cent.	1 bar, e store.
Langlaagte Estate (34)	Yes.	Cannot say.	Say six on Sunday, but not badly drunk.	1 eating
Luipaards Vlei (35)	Yes.	——	5 per cent. of 220.	None.
Meyer and Charlton (36)	Yes.	Low stores — through natives.	50 on pay day and Sundays.	1 cante houses,
Marie Louise G. M. Co. (37)	Yes.	Cannot state, being rather far off from Mine.	Very few.	None.

duration, and, in the opinion of those best capable of judging, only a nominal improvement on the previous state of affairs exists. Whilst convictions undoubtedly have taken place, showing that infringements of the law are occurring, I am still of opinion that by far the greatest amount of the liquor traffic remains undetected. To show what the opinion of the mine managers is with regard to the operation of the Liquor Law, we have had a table (see Statement D) prepared from 74 companies on the Rand which conclusively demonstrates the absolute necessity of a better administration of this otherwise excellent law. A summary of this table shows that all the managers of the 74 companies are unanimous in declaring that liquor is being sold freely to the natives. It further goes to prove that although in some cases the amount of drunkenness on some mines is small, still the overwhelming returns indicate that a large percentage of natives employed on the fields is rendered incapable for work owing to the effects of drink. A further perusal of the documents will show that while in some individual cases the police supervision has been fairly satisfactory, the bulk of the cases demonstrate that the supervision has been totally inadequate. It will also be seen from the statement, that while in some instances the mines have recently gone to the trouble of opposing applications for licences, in the bulk of cases they have refrained from doing so, owing to the ill-success which has attended previous efforts in that direction, and to the loss of time which is entailed by such matters. I wish to read one letter which I have received from Mr. Johns, manager of the Ferreira Company:—"In reply to your letter of yesterday's date respecting illicit liquor traffic, and asking why I did not protest against granting any licences in this neighbourhood, the reason why I did not protest is that I consider it would be quite useless to do so, previous protests having been of no avail." In my mind this liquor trade amongst the natives constitutes one of the great grievances under which the mining industry is labouring, and requires energetic and immediate suppression. The administration of the Liquor Law should be placed under the control of a Local Government Board, having for assistance as advisory members representatives of the mining industry.

Table of returns of 74 companies concerning administration of Liquor Law.

Police supervision under Liquor Law inadequate.

Mr. Johns' letter and the granting of licences.

Local government board for administration of Liquor Law.

I am convinced in my own mind that gold thefts have been and are still taking place on these fields, but to what extent it is impossible for me to say, and I would not like to venture an opinion. It is impossible to have a perfect check on all the gold won from the mill and cyanide works. The greatest security against thefts rests in the fact that the men engaged in this specific responsible work are regarded as men of honour and beyond suspicion, which, from an ethical point of view, is highly satisfactory, and cannot fail to raise the standard and the sense of their morality. The fact of a detective continually watching over them would, in my judgment, destroy the object it hopes to serve, and the men, if engaged under such conditions, would deteriorate, or tend to cause an exchange of honest men for such as would require close watching. However anxious one might be to have a perfect check system, this, as experience can prove to you, is hardly possible. I assume, guided therein by certain circumstances, that gold thefts are being practised to a large extent on the Rand. I think that the general opinion of mine managers and representatives of the industry is that the men employed in the reduction works are inherently honest, but it is the instigation which they receive from the outside which has such tempting and demoralising influences. The great necessity, according to my judgment, lies in detecting and bringing to justice the offender who illicitly buys the amalgam, and it is for this reason primarily that we require a special organisation of well trained men to apprehend such offenders against the law. Previous witnesses have already referred to its deficient administration, and we all know that many men in this place are nominally carrying on a trade which they are virtually not prac-

Gold thefts.

Best security against gold thefts.

Special detective force necessary to bring to justice illicit gold buyers.

Legislation against gold thefts: its administration defective.

tising. In order to effect apprehension and conviction it is necessary that laws should exist which are applicable to these special circumstances. In view of past experience, I respectfully submit that the Law of Illicit Gold Buying is defective, and that the administration of the law is inefficient. I will apply my first remarks to the law itself, and will show to you where it is defective, and would further suggest the greatest urgency in getting such law altered. Article 145 of the Gold law says that no person shall carry on trade in amalgam, &c., under which is included the purchase or bartering, &c., of amalgam, &c., unless he possess a special licence to do so, for which he must pay £10 per annum, with this proviso: that an individual digger or company shall not be required to take out a licence for the sale of amalgam, &c. The fine for the infringement of this law is a sum not exceeding £100, or imprisonment, or both together for the first offence; for the second offence a fine not exceeding £200, or imprisonment, not exceeding 12 months, or both together; and for a further offence according to the judgment of the Court. Article 146 says that any person found in the possession of amalgam, and who can give no proof of having obtained it in a lawful manner, shall be punished with a fine not exceeding £500, or imprisonment not to exceed two years, or both together, for the first offence; and for the second offence with a fine not to exceed £1,000, or three years, or both together, and for further offences, fines or imprisonment according to the judgment of the Court To my mind the defect of the present Gold Law with respect to illicit gold buying is that it neither goes far enough nor is sufficiently explicit in its meaning as to what constitutes unlawful possession. Section 146 merely throws the onus of proof on the accused to show that he obtained gold found in his possession in a lawful manner, but we are left in doubt as to what these words may mean. Purchase, sale, barter and exchange are in themselves lawful, and they are not necessarily rendered unlawful by the operation of Section 145. This section only provides that persons dealing in amalgam, &c., shall take out a licence to do so under certain comparatively small penalties. Consequently the penal operation of Section 146 is rendered nugatory, for under an indictment under this section the accused has only to prove purchase, barter or exchange to ensure his acquittal. The prosecution is then thrown back on Section 145, which, as already pointed out, does nothing more than provide a penalty for not taking out a licence. This to my mind constitutes an ineffectual law which I think should be altered. That the administration of the Gold Thefts Law is not an efficient one is sufficiently demonstrated by the fact that no convictions have taken place in the past, and that where there have been detections, and where after endless pain and trouble and expense have been incurred by the companies to effect detection, those who have infringed the law have been able to escape. I suggest a Local Government Board, who shall have the power to enrol a special detective force for administration of the law, and that an advisory board of representatives of the mines be at the disposal of the permanent board.

Articles 145 and 146 of the Gold Law.

Proofs of inefficient administration of legislation against gold thefts.

Local government board for administration of laws against gold thefts.

Native labour.

Supply of native labour.

It is needless for me to state that the mines have to go to considerable expense and trouble to effect an adequate supply of natives. The supply formerly has not been so great as now due to the expansion of the industry, and for a considerable time there has been a great shortfall. If you were to examine returns and reports of companies during the last year, as I have had the opportunity of doing, you would see much of the decreased returns are due to the scarcity of native labour. The chief supply of natives is from the East Coast, equal to 50 per cent. The supply from the North is about 20 per cent. I feel convinced that the supply from the North can be considerably increased, seeing that the labour of these natives is regarded as efficient. I may mention, in qualification of this, that the Wolhuter Company brought down 500 boys; they have stayed their full time with the manager and he has been well

pleased with them. I say it is in the interests of the Government that they should assist us by every means possible to bring the labour from within the boundaries of this Republic. Firstly, because of the less expense of bringing down natives to this centre; secondly, because it is more in the interests of the Government that the money which the boys earn remain and be spent in this country, and not go out of it; and thirdly, because the amount of money that is taken out of the country would remain here. I can further say that if the Government were to assist in the supply of natives from within this country they would by these means be serving two purposes. According to the native laws the actual tax per native in the native districts amounts to about £2 10s.; the only exception to the liability of this payment being natives residing as servants under white persons. Thus, if the dignity of labour were impressed upon them by the enforcement of this law, we are likely to get a larger supply. The other purpose served would be—that such boy coming to work would earn money, and after completing his term of service he would have sufficient funds to enable him on his return to his district, when called upon by the Government, to pay all his taxes, which would be an additional revenue to the Government. At present one-half of our supply comes from the East Coast, and the monstrous sum of 26s. 10d. is levied on each native for his passport by the Portuguese. It costs, on the average, 56s. 6d. to 60s. to bring down natives to this centre from this part of the country, which is only 300 miles off from here; which is, in my opinion, an excessive burden on the industry, and necessarily increases the price of native labour. In connection with this matter, I will refer to the rates for carrying these natives. I hold that it would be to the interests of the Government and this industry to facilitate this traffic as much as possible, at the least possible expense to the companies, and, if anything, sooner to put an increased rate of conveying them on their return journey. My opinion is, that the rates of transport of natives are altogether too high. From Volksrust to Johannesburg is only 170 miles, and the charge is 20s. 6d. per head; from Indwe to here a distance of 543 miles, 25s. 3d. is charged; from Komatipoort to here, a distance of 351 miles, 18s. 9d. is charged, and on the return journey 39s. is charged. The boys on their return to Indwe have the option of engaging a truck; 25 and over can engage a truck, which works out at £1 a head. Now I argue that as a good many boys can go in trucks, and if boys are brought in trucks they should be carried on what I would consider a reasonable truck-load basis. On this basis boys would be brought from Indwe to here for about 16s. From Volksrust to Johannesburg, 170 miles, the native would pay 7s. 6d., instead of as at present 20s. 6d.; from Komatipoort to here, 351 miles, the native would pay 11s. 5½d. instead of the present amount of 18s. 9d. I will now go to show what the mining industry has done to try and facilitate the transport of natives from the north where there is no railway. An organisation is in existence for the conveyance of natives. We have a staff of men in Pietersburg, who collect the natives and bring them to the depot there. Our next depot is at Potgieter's Rust, 20 miles away, another depot at Vroom's Store, 30 miles distant, a depot at Kaufman's Store, 25 miles from there, one at Pienaar's River, 25 miles from the latter, and one at Leeuwkraal, 30 miles distant, and in Pretoria we had the use of Beckett's compound. So from this you will observe that the journey is completed in eight days, and the boys have shelter and protection at each stage, and there can be no cause for complaint in this respect. This route should be encouraged, and in my opinion the Government should appoint additional commissioners in the Northern districts to assist in bringing the material to Pietersburg. I should like to point out to you what the Cape Government has done in the supply of natives. They have given notice through their kaffir chiefs to collect native labour, and the Government have brought

Government co-operation for supply of native labour from within the Republic required.

Taxation of natives.

Supply of native labour from East Coast.

Cost of transport of native labour.

Railway rates for transport of native labour.

Suggested reduction of railway rates for transport of native labour.

Government aid required for supply of native labour

Native Commissioners.

Cape Government and native labour.

it to Imvani Station, where we have taken delivery during the months of January and February last of between 400 to 500 natives, and 2,797 during the eight months in 1896. The Cape Government have depots at Umtata. I can further show you letters which we have received from the Commissioners of Natives in the Cape Colony, telling us that their depots are full, and urging upon us to take the natives. I merely wish to show, to illustrate by this, that we should not want to look for our supply from this quarter at all, but that we should get it from within the borders of this country. I would like to impress upon you also the necessity, as stated before, of bringing down these natives at as low a rate as possible, and that if it is to cost anything at all it could be put on in the return journey, inasmuch as we have this large outlay in the beginning so uncertain of recovery. My statement, which is a complete one, shows the amount of premiums paid for obtaining native labour, which has not been recovered. In 1895, taking six companies only, the loss was £7,317; in 1896 14 companies showed a loss of £21,335; in 1897 17 companies show a total loss of £31,823. The latter represents as nearly as possible a loss of 75 per cent. on the outlay. I should like to draw particular attention to one company, the Langlaagte Estate. The number of boys they employ is 1,790, and the gross premium for obtaining these boys was £12,120; they have only recovered from these boys £530, leaving a loss of £11,589. I will take the case of the Bonanza Company; they had paid £750 for obtaining boys, and they had not recovered 6d. I now wish to draw your attention to a matter connected with the Pass Law, which I omitted yesterday, namely a defect which also means a great expense for the company. The present offices at Boksburg, Johannesburg, and Krugersdorp are too far apart on the distinctive mines for proper administration. As an instance I will take a gang of boys arriving at Elandsfontein Station for the Geldenhuis Estate. A boy is first walked off to the company's compound, and then he is walked off to Boksburg and back, eight miles each way, for the purpose of getting registered. This takes altogether one day. The boys have to be provided with bread at 3s. per dozen, equal to 3d. per man. At Boksburg he is delayed and has frequently to camp out overnight, with the result that many desert. Another defect in the law is in the moving of natives from one district to another. No transfer books exist whereby a boy who, for instance, wishes to go from his district to Johannesburg, can go and get his district pass and his pass for the unexpired period of the month transferred to that district, which in itself necessitates an unnecessary expenditure. An illustration will better explain the point. On the 18th January 600 boys were transferred from the Crœsus to the Rietfontein Mine. They were then in possession of a pass paid until the end of January. In order to pass they had to come to the Johannesburg Office, and there take out a "reis" pass for the Boksburg district at 1s. per head. They then had to walk to Boksburg, arriving there on the 20th, for the purpose of taking out the district pass and their new pass for the month, in that district 2s. per head, a distance from there and back to the Rietfontein Mine of 27 miles. As the passes only run from the 1st to the 1st, the pass taken out on the 20th lapsed on the expiration of the month, and a new pass had to be taken out from the 1st of the month, so that the expenditure per boy in being transferred from one district to another amounted to 7s

Statement showing losses of companies on unrecovered premiums paid for native labour.

Loss of Langlaagte Estate Company on unrecovered premiums paid for native labour.

Loss of Bonanza Company on unrecovered premiums paid for native labour.

Defective administration of Pass Law.

White wages.

I would point out to you that, according to the evidence of a previous witness, he estimates the average cost of white labour at 28 per cent. on the total cost. An argument took place as to whether white labour is not too highly paid. In my opinion it is not. The opinion expressed was that the pay of European labour is too high in this country and should go down. But in adducing these arguments, I think one of the principal considerations is to ascertain whether the men employed on the mines have only to look after themselves or to supply the wants of their families as

well. This I think is a very important question, which may throw a different complexion altogether on the pay of white labour. I have obtained statistics of the returns of European labour from about 53 companies (see Statement E), which goes to show that they employ a total of 3,620 miners. Of these, 470 are married miners with families on their properties; 1,195 are married miners, but their families are away from here; and 1,955 are single men. The number of miners who have left during the last six weeks are 827, of which number approximately 380 left the country and 480 remain in the country. This shows the following percentage: that 54 per cent. are single men and 46 per cent. are married, of which 33·1 per cent. are absent. It therefore devolves upon them to support their families. I think it ought to be the desire of the Government to make it possible for these miners not to have to live apart from their families, but that the conditions should exist which would enable them to live in this country, which in itself would add to the revenue of the country. As regards white labour in itself, I will acknowledge that the figures of Mr. Catlin would go to show that by greater pay a greater amount of efficiency is to be obtained. Consequently I think it should be the object of every mine manager to see that his labourer improves in efficiency, and does more work, which would mean a saving. A system which is now being introduced, and which in my opinion is the only system which will work out satisfactorily, is the contract system, whereby a man is told to do a certain amount of work for a certain sum of money. This expedites the work, and is found to be the cheapest. I do not approve of the bonus system. I may mention one thing in regard to white wages, we have an instance in point of a man—a fitter on the Central Ore Reduction Company—receiving £30 a month. He got married, and the moment he had an increase of family, he found the conditions did not enable him to keep his family here, and he was obliged to send them away, the cost of living being too high.

Statistics of European labour of 53 companies.

Number of married miners with families on their properties; number of married miners with families absent

Number of unmarried miners.

White wages.

Contract system.

The bonus system.

According to the Chamber of Mines returns, I find that 53 producing companies on the Rand have returned an average of 11½dwts. per ton. However, on analysis, it shows that the average is only brought up by a few companies. Of the 53 companies, four companies average 24·4 dwts., or 7·5 per cent. of the total producing companies; two companies average 17 dwts., or 3·8 per cent.; 16 companies average equal to 30 per cent.; and 30 companies average 7·9 dwts, or 58 per cent. Gentlemen, I wish to impress upon you now that the backbone of the industry is not the four companies which average the high returns, nor the two; it is the 30 companies which are only returning 7·9 dwts., and which are struggling unavailingly with the existing impediments. I go very much further, and I say the condition of affairs ought to be such that many of the companies which are to-day unable to work may be brought into life again. I would draw your attention in reference to these 30 companies to the very small margin on which they are working. I may say the results have been worked out reliably, not from estimates taken from the Chamber of Mines, but figures taken from the most careful investigation of the balance sheets of the companies, and in the majority of cases checked by Mr. Jennings. The average of these 30 companies shows a return of 30s. 0·4d. per ton, which leaves a profit per ton of 1s. 10d. This will show you how very close these companies are working, and how little it would require to make the average show no profit whatever. The companies I refer to include companies which have been producing from the earliest days. In regard to the dividends, I should like to point out to you that 20 companies have only paid dividends during 1896, the amounts paid being £1,523,581, (see statement F) showing a decrease in dividends over the previous year of over £540,000. That in itself is very significant. Whilst these companies paid 23 3-8 per cent. on their issued capital, taking it at to-days market value, they returned 10·38 per cent., but if you apply these total dividends over 51 producing companies you will find that the total return of these companies

Chamber of Mines' gold returns of companies.

Percentages of 53 companies on total amount of gold produced.

Small margins of profits of 30 of the 53 producing companies.

Dividends of companies.

Average of total dividends on 51 producing companies.

E.

RETURN OF EUROPEAN LABOUR,

Shewing Number of Married and Single Miners, and Number which left during previous Six Weeks from 30th April, 1897.

COMPANIES.	Married Miners with Families on the Property.	Married Miners with Families Abroad.	Single Men.	Miners Left Mine during past Six Weeks.	Of which Left the Country Approximately.	Approximate Number Remaining in Country.
Banket	0	6	0	6	0	6
Bonanza	3	11	23	5	0	5
Champ d'Or	6	6	4	0	0	0
Cassel Colliery...	10	5	30	20	10	10
City and Suburban	62	62	184	64	26	38
Durban Roodepoort	5	17	13	1	1	0
Ferreira Company	15	48	39	14	10	4
East Rand Proprietary	30	150	200	110	55	55
George Goch	6	33	22	8	2	6
Geldenhuis Main Reef	0	6	4	0	0	0
Geldenhuis Estate and G. M. ...	3	30	23	15	4	11
Geldenhuis Deep	5	96	193	28	8	20
Glen Deep	2	?	?	38	31	7
Henry Nourse	2	29	36	8	3	5
Horsham Monitor	1	9	2	1	0	1
Jumpers	5	23	33	9	1	8
Jubilee	5	12	22	8	7	1
May Consolidated	4	?	?	21	5	16
Meyer and Charlton	6	10	16	13	3	10
Modderfontein	2	24	?	83	40	43
New Heriot	23	52	114	9	3	6
New Primrose	16	9	52	32	3	29
New Spes Bona	0	7	2	0	0	0
New Kleinfontein	5	19	19	0	0	0
Nourse Deep	19	73	54	18	3	15
Princess Estate	2	17	22	7	3	4
Rand G. M. Company	2	1	1	0	0	0
Rietfontein A	0	8	13	3	2	1
Robinson Randfontein	1	15	9	15	3	12
Roodepoort G. M. Co.	1	0	15	7	3	4
Roodepoort United M. R. ...	3	6	9	13	7	6
Rose Deep	2	34	69	14	8	6
Salisbury	3	20	3	2	1	1
Stanhope	2	2	1	0	0	0
South Randfontein	2	8	25	16	16	0
Springs Colliery	18	4	49	17	0	17
Treasury	0	9	19	7	2	5
Transvaal Coal...	3	6	14	8	2	6
Van Ryn Estate	2	33	22	14	10	4
Village Main Reef	45	17	82	12	2	10
Vogels. Estate...	2	0	22	4	0	4
West Rand	4	?	?	12	12	0
Wemmer	2	25	21	3	2	1
West Roodepoort Deep	0	?	?	32	7	25
Wishaw Coal Co.	1	0	0	0	0	0
Windsor Co.	1	0	0	0	0	0
Wolhuter	17	19	34	12	4	8
Robinson Co.	7	63	29	7	1	6
Rietfontein Estate	1	10	15	14	1	13
Violet Consolidated	1	2	9	6	2	4
Roodepoort G. M. Co.	1	9	5	0	0	0
Simmer and Jack	97	116	322	63	60	3
Crown Deep, Ltd.	15	34	60	28	17	11
	470	1,195	1,955	827	380	447

RECAPITULATION.

53 Companies, 3620 total Miners :—
12·9 % Married Men on the Properties with Families.
33·1 % Married Men on the Properties without Families.
54·0 % Single Men.
827 Miners left during the past six weeks, of which 46% have left the country; 54% have remained in the country.

only comes to 4·3 per cent. of the money invested at present market rates. Now I think that everyone connected with mining will admit that a 4½ return per cent. on one's money in mining, equal to a railway return, is not what capitalists expect with all the risks appertaining to mining. I think all Governments will acknowledge, where mining is carried on, that a certain amount of risk is attached to mining, and that therefore the industry should be assisted, knowing full well that a liberal percentage on the capital outlay is justified. A question I wish to bring before you as one of supreme importance, is to see in which manner the better condition of affairs can be brought about in the mining industry, so as to assist us in restoring the capital which has been melting away from us, and which is necessary for the development of a good many mines which are silent at the present moment. I feel this, that unless relief is given, it will only rest on those few companies to bear the burdens of the industry. A good number of companies which were on the list of working and developing companies, and which are all pillars on which the whole welfare of the country rests, will be dropping away, throwing increased pressure on the remaining ones. It is therefore necessary, and this is now the critical moment, to bring about better conditions. I will say that this refers in particular to the question of dynamite, railway freights, and general import dues, and also to the influence of the Government to see that the other neighbouring Colonies that derive benefits from this industry are reasonable. I will not travel over the same ground. I agree perfectly with the previous evidence with reference to dynamite, but I will say that I am strongly in favour of seeing free trade in this article, with a reasonable duty for the Government. As far as the railway concession is concerned, in my opinion, gentlemen, I believe that the Government should be determined to bring down the rates to a reasonable proportion, when probably we would find that the expropriation can be affected at a later date under better conditions than to-day, but that would absolutely depend on the determination of the Government now to see that the tariffs are considerably reduced, failing which, it is much the best that expropriation takes place now instead of at much greater cost later on. I believe that in many respects a great reduction can be made, which will bring down living expenses to a reasonable basis. I also believe that in the question of coal rates that there could be more advantageous tariffs, so that where we find mines to the west of Johannesburg, which are acknowledged to be poorer than mines to the east, the railway freights to them ought not to differentiate from those in the immediate proximity of Johannesburg. In my opinion the tariff from Johannesburg, going west, should not exceed the rates from Elandsfontein to Johannesburg, or they should differentiate in their favour, so as to give these companies in the west a chance. I could mention that some of the coal bills in the West Rand exceed the amount of saving in railage to the mines to the east of Johannesburg; or, in other words, the difference in the coal rates would cover the total expenses of the coal bill of some West Rand mines. How the general relief can be brought about it is hardly for me to suggest, but I do believe, without going into figures, that if we get considerable relief the revenue could still remain on a level. By giving greater facilities to the mines, gentlemen, you would indirectly derive great benefit, you will enable companies which at the present moment cannot work to work,

Necessity of development of non-producing mines.

Reliefs desired.

Dynamite.

Free trade in dynamite.

Reduction of railway rates and expropriation.

Reduction of cost of living.

Coal railway rates.

Differential railway rates on coal.

Maintenance of State revenue.

Compensation for reduction

of State revenue through relief requested.

and you will bring about an expansion of trade and vitality. I fully believe that it could be brought about within the margin of the expenditure of the country.

F.

TABLE

SHOWING

1st. Amount of Dividends paid by 20 Rand Companies for 1896.

2nd. Interest percentage on Issued Capital.

3rd. Interest percentage on Market Value, May 1st, 1897.

Name of Company.	Total Share Capital.	Issued Share Capital.	Market Value of Issued Capital on May 1st.	Dividends in 1896.	Per Cent. on Issued Capital.	Per Cent. on Market Value.
	£	£	£	£		
1 City and Suburban	1,360,000	1,360,000	930,000	68,000	5	7·31
2 Crown Reef ...	120,000	120,000	1,230,000	132,000	110	10·73
3 Durban Roodepoort	135,000	125,000	656,250	56,250	45	8·57
4 Ferreira	90,000	90,000	1,440,000	247,500	275	17·18
5 Geldenhuis Estate ...	200,000	200,000	525,000	25,000	12½	4·76
6 Henry Nourse ...	125,000	125,000	656,250	37,500	30	5·71
7 Johannesb'g Pioneer	21,000	21,000	199,500	84,000	400	42·11
8 Jubilee	50,000	50,000	300,000	30,000	60	10·00
9 Jumpers	100,000	100,000	281,250	30,000	30	10·66
10 Langlaagte Estate...	500,000	470,000	1,586,250	141,000	30	8·89
11 May Consolidated ...	275,000	275,000	481,250	55,000	20	11·43
12 Meyer and Charlton	85,000	85,000	371,875	17,000	20	4·57
13 New Chimes ...	100,000	100,000	25,000	5,000	5	20·00
14 New Heriot ...	115,000	111,864	811,014	95,084	85	11·72
15 Robinson	275,000	2,750,000	3,645,750	330,000	12	9·05
16 Stanhope	35,000	34,000	23,375	1,700	5	7·27
17 United Main Reef ...	150,000	150,000	431,250	37,500	25	8·69
18 Van Ryn	200,000	177,000	273,375	32,000	20	11·70
19 Wemmer	80,000	80,000	460,000	47,500	75	10·33
20 Worcester	100,000	93,722	351,487	51,547	55	14·66
	6,591,000	6,517,586	14,678,876	1,523,581	23⅜%	10·38%

Profits of 30 of 51 producing companies.

I now want to come back to the figures of yesterday in reference to the cost of 30 companies which I mentioned. I wish to say that in re-checking the figures I found a slight difference. The profit of these companies is 2s. 5d. per ton instead of 1s. 10d., as I stated yesterday. I also wish to draw attention to the fact that in doing this I wish to draw no comparisons of one company as against another. All I

wish to demonstrate was that these 30 companies crushed during 15 months 3,000,000 tons of rock, and that is the result. I may mention that I have taken 30 companies showing the lowest yield of the 53 producing companies, and I include in my list, of course, companies showing good returns. For instance, 14 companies out of that 30 have crushed 2,036,000 tons, which show profit, without depreciation, of 7s. 3·658d., and with depreciation, 4s. 5·01d. per ton. I further want to draw attention to the fact, taking the figures, for instance, of a witness who appeared to-day before you, as to the benefit a reduction of 6s. a ton would mean to some of the companies I am interested in a company which has crushed 72,000 tons without making any profit. This company, with a reduction of 6s. per ton, would return a profit of £22,000. In referring also to the railways, there is one thing that I should like to draw your particular attention to, and that is the necessity of trying to bring about a reduction of rates. Other Governments have shown a desire to do so, but they have been somewhat prevented from doing this.

Beneficial result of reduction of 6s. per ton on working costs.

Reduction of railway rates prevented by Netherlands Railway.

Mr. *Hugo.*

Who prevented them ?—The Netherlands Railway Company. I can give an instance. I have a letter here from the Cape Government, dated 24th July, which states : "In consequence of representations made by the Netherlands Railway Company it will be necessary to raise the rate for the conveyance of cement to the Transvaal for rough goods to third-class rate from the 1st September."

Increase of railway rate on cement.

Mr. *Albu.*

What year is that ?—1895. I have another letter of the 14th March, 1895, in reference to reduction of the rough goods rate. It was the intention of the Cape Government to assist us in reducing tariffs—by rough goods I mean timber, rails, and all heavy goods. The Netherlands Company immediately thereon put on an increase on their railway rates on rough goods from 1s. to 1s. 8d. per 100lbs., which to a certain extent counteracted the intentions of the Cape Colony. At the same time the Cape Colony felt that though the Netherlands Railway Company had increased their freight, they at least should not do it, and whatever the Netherlands Railway Company increased they reduced. I will read a letter from Mr. Difford : "With reference to the Netherlands Railway Company's advertisement of an increase of 8d. per 100lbs. for the conveyance of rough goods from Mid-Vaal River to Johannesburg and other stations on and after 1st April next, I have the honour to state that the Cape Government does not intend to disturb its through rates from the ports to either Viljoensdrift or stations along the Vaal River, and that the existing through rates from the ports will therefore remain in operation. On traffic for intermediate stations an additional 8d. levied by the Netherlands Company will be charged, the port rates, however, being the maximum charge." I should like to mention transit dues, which, I think, the other Governments are absolutely not entitled to, and I think should be removed in their entirety. The argument I have heard mentioned is that the Transvaal Government are maintaining the transit rate of 3 per cent. for any goods passing through the Transvaal for the North. I think, for instance, if this transit were removed, the other Governments would also be open to reason. We have to pay duties on produce coming from Basutoland. The Orange Free State, having free trade with Basutoland, take their produce from there. The Orange Free State have, however, free trade with us again here, and what stands to their advantage are the heavy protective duties here for produce which is imported. The Orange Free State take their grain free from Basutoland, and sell us their produce at increased prices under the protective duty. I merely wish to convey that we are paying more for our

Increase of rate on rough goods by the Netherlands Railway.

Transit dues.

G. CAPITALIZATION COMPARISON, SEPTEMBER, 1895—MAY, 1897.

Statement showing 105 Companies which had a Capital in SEPTEMBER, 1895, of £29,521,735, which, at ruling rates during the month, which was the height of the boom, meant a capitalization of £150,470,191 roughly.

These same Companies to-day have a Capital of £36,808,155, and at ruling rates show a capitalization of £53,262,535 roughly, or a difference of £97,364,402 compared with September, 1895.

There are only two Companies to-day which show a higher capitalization than in September, 1895, viz. :—BONANZA : Capital £200,000, which, at current rates, shows a difference of £210,000 in favour of to-day, and JOHANNESBURG PIONEER Co. : Capital £21,000, which shows £21,000.

Alexandra	250,000	27/6	343,750	250,000	4/6	56,250	287,500
Angelo	175,000	£6/12/6	1,159,375	225,000	55/-	618,750	540,625
Angelo Debentures ...						150,000	
Angle Tharsis	92,500	55/-	254,375	150,000 M. Reef.	13/-	97,500	156,875
Aurora	65,000	37/6	121,875	65,000	12/6	40,625	81,250
Aurora West, United ...	100,000	55/-	275,000	140,000	15/-	105,000	170,000
Balmoral	100,000	65/-	325,000	130,000	17/-	110,500	214,500
Banket	180,000	10/-	90,000	111,500	7/6	41,812	48,188
Bantjes	435,000	5/7/6	2,338,125	435,000	18/9	407,812	1,930,313
Benoni Gold	200,000	75/-	750,000	204,100	7/6	76,537	673,463
Block A Randfontein ...	480,000	20/-	480,000	480,000	7/-	168,000	312,000
Champ d'Or...	133,000	76/3	507,062	133,000	15/-	99,750	407,312
Chimes West	150,000	70/-	525,000	175,000	6/3	54,687	470,313
Consolidated Deep Levels...	187,250	7/2/6	1,334,156	187,250	57/6	538,343	795,813
Crown Deep	250,000	12½	3,125,000	250,000	9¼	2,312,500	812,500
Crown Reef...	120,000	11⅜	1,365,000	120,000	10⅛	1,215,000	150,000
City and Suburban ...	1,360,000 In £4 shares	6⅞	2,337,500	1,360,000 In £4 shares	66/3	1,126,250	1,211,250
Driefontein	175,000	81/3	710,938	175,000	26/3	229,687	481,251
Driefontein Debentures ...						100,000	
Durban Roodepoort ...	125,000	8¼	1,031,250	125,000	5¼	656,250	375,000
Durban Roodepoort Deep	290,000	5¾	1,667,500	290,000	37/6	543,750	1,123,750
East Rand Proprietary ...	650,000	12⅜	8,043,750	746,325	30/9	1,147,474	6,896,276
Ferreira	89,000	19½	1,735,500	89,000	16	1,424,000	311,500
French Rand	480,000	80/-	1,920,000	560,000	17/3	483,000	1,437,000
Geldenhuis Deep	280,000	10½	2,940,000	280,000	3⅛	875,000	2,065,000
Geldenhuis Deep Debent.						160,000	
Geldenhuis Estate.. ...	200,000	6⅜	1,275,000	200,000	50/-	500,000	775,000
Geldenhuis Main	150,000	28/9	215,625	150,000	11/3	84,075	131,250
George Goch	160,000	65/-	520,000	325,000	20/-	325,000	195,000
Ginsberg	152,500	35/-	266,875	160,000	30/-	240,000	26,875
Glencairn	225,000	90/-	1,012,500	500,000	33/9	843,750	168,750
Goldfields' Deep	600,000	13¼	7,950,000	600,000	95/-	2,850,000	5,100,000
Goldfields' Deep Debent....							
Gordon Estate	175,000	20/-	175,000	197,500	3/9	37,031	137,969
Great Britain	60,100	60/-	180,300	60,100	20/-	60,100	120,200
Henry Nourse	125,000	7/1/3	882,812	125,000	5½	687,500	195,312
Horsham Monitor	190,000	40/-	380,000	190,000	2/6	23,750	356,250
Jubilee	50,000	9½	475,000	50,000	5¾	287,500	187,500
Jumpers	100,000	8/1/3	806,250	100,000	55/-	275,000	531,250
Kleinfontein Central ...	225,000	65/-	731,250	225,000	7/6	84,375	646,875
Knight's Deep	330,000	3⅞	1,278,750	330,000	15/-	247,500	1,031,250
Leeuwpoort...	95,000	13/3	62,937	95,000	2/3	10,687	52,250
Lancaster	234,500	46/3	542,281	234,500	33/9	395,718	146,563
Langlaagte Block B ...	535,000	61/3	1,638,437	535,000	13/9	367,812	1,273,625
Langlaagte Deep	75,000	40/-	150,000	75,000	13/-	48,750	101,250
Langlaagte Estate . .	470,000	6/16/3	3,201,875	470,000	70/-	1,645,000	1,556,875
Langlaagte Royal	180,000	6⅝	1,192,500	180,000	6/3	56,250	1,136,250
Langlaagte Star	240,000	60/-	720,000	240,000	7/6	90,000	630,000
Luipaard's Vlei	350,000	40/-	700,000	350,000	15/-	262,500	437,500
Marievale Nigel	250,000	72/6	906,250	250,000	7/6	93,750	812,500
Main Reef	135,000	42/6	286,875	135,000	13/9	92,812	194,063
May Consolidated	275,000	76/3	1,048,437	275,000	32/6	446,875	601,562

CAPITALIZATION COMPARISON, September, 1895—May, 1897.—*(continued.)*

Meyer and Charlton ...	85,000	£6/17/6	584,375	85,000	87/6	371,875	212,500
Minerva	150,000	67/6	506,250	150,000	2/6	18,750	487,500
Modderfontein	200,000	15/7/6	3,075,000	1,000,000 £4 share.	33/9	421,875	2,653,125
Modderfontein Extension	325,000	85/-	1,381,250	£325,000	8/9	142,187	1,239,063
Mijnpacht Randfontein ...	657,500	25/-	821,875	657,500	3/9	123,281	698,594
Molyneux Mines	220,000	58/9	646,250	220,000	10/-	110,000	536,250
Molyneux West	300,000	15/-	225,000	300,000	2/6	37,500	187,500
New Chimes	100,000	57/6	287,500	100,000	3/9	18,750	268,750
New Comet...	182,486	87/6	798,376	182,486	12/6	114,053	684,323
New Crœsus	500,000	61/3	1,537,500	500,000	6/6	162,500	1,375,000
New Florida	125,000	77/6	484,375	162,500	10/3	83,281	401,024
New Heidelberg Roodept.	125,000	51/-	318,750	160,000	6/3	50,000	268,750
New Heriot...	85,000	11½	977,500	111,864	7/7/6	824,997	152,503
New Midas Estate... ...	100,000	82/6	412,500	137,500	15/-	103,125	309,375
New Orion	160,000	95/-	760,000	160,000	1/3	10,000	750,000
New Primrose	280,000	7½	2,100,000	300,000	3 9-16ths	1,068,750	1,031,250
New Rietfontein	270,000	61/3	1,636,875	270,000	17/6	236,250	1,400,625
New Spes Bona	160,000	57/6	460,000	160,000	12/6	100,000	360,000
New Steyn Estate... ...	190,000	40/-	380,000	190,000	11/3	106,875	273,125
Nourse Deep	375,000	£9	3,375,000	375,000	£2⅛	796,875	2,578,125
North Randfontein ...	185,250	53/9	497,859	185,250	22/6	208,406	289,453
New Kleinfontein	185,000	6½	1,202,500	231,250	27/6	317,968	884,532
New Blue Sky	150,000	31/-	232,500	150,000	6/-	45,000	187,500
Nigel	199,300	7/8/9	1,482,293	199,300	31/3	311,406	1,171,887
Nigel Deep	500,000	77/6	1,937,500	500,000	10/-	250,000	1,687,500
Paarl Central	200,000	46/3	462,500	400,000	11/3	225,000	237,500
Porges Randfontein ...	437,500	£5	2,187,500	437,500	18/9	410,155	1,777,345
Princess Estate	160,000	85/-	680,000	160,000	27/6	220,000	460,000
Randfontein Estates ...	2,000,000	82/6	8,250,000	2,000,000	27/6	2,750,000	5,500,000
Rand Mines	332,708	£44¼	14,722,329	332,708	£16	5,323,328	9,339,001
Robinson	2,750,000 £5 share.	£11	6,050,000	2,750,000 £5 share.	£7	3,850,000	2,200,000
Robinson Deep	400,000	£9¼	3,700,000	400,000	6⅛	2,450,000	1,250,000
Robinson Randfontein ...	600,000	35/-	1,050,000	600,000	18/9	562,500	487,500
Roodepoort Central ...	220,000	65/-	715,000	220,000	20/-	220,000	495,000
Roodepoort Deep	175,000	92/6	809,375	175,000	12/6	109,375	700,000
Roodepoort U. M. R. ...	150,000	7/7/6	1,106,250	150,000	58/9	440,625	665,625
Roodepoort Kimberley ...	125,000	67/6	421,875	125,000	28/9	179,687	242,188
Rose Deep	355,000	£6¼	2,218,750	355,000	50/-	887,500	1,331,250
Ruby	23,114	£11	254,254				
Salisbury	93,000	95/-	441,750	100,000	27/6	137,500	304,250
Simmer & Jack	250,000	£27¼	6,812,500	4,940,000 £5 share.	50/-	2,470,000	4,342,500
Stanhope	34,000	18/9	31,875	34,000	12/6	21,250	10,625
Treasury	540,000 £4 share.	72/6	489,375	540,000 £4 share.	30/-	202,500	286,875
Van Ryn	160,000	£9	1,440,000	160,000	32/6	260,000	1,180,000
Van Ryn West	120,000	£5	600,000	120,000	17/6	105,000	495,000
Vesta	130,000	35/-	227,500	130,000	3/9	24,375	203,125
Village Main	180,000	£9	1,620,000	180,000	65/-	585,000	1,035,000
Vogelstruis Estates ...	200,000	£6¼	1,250,000	200,000	28/9	287,500	962,500
Vogelstruis Cons. Deep ...	327,500	80/-	1,310,000	327,500	10/-	163,750	1,146,250
Vulcan	90,000	12/-	54,000	90,000	3/3	14,625	39,375
Vogelstruisfontein... ...	41,800	7/-	14,630	41,000	2/9	5,747	8,883
Violet	600,000	15/-	450,000	800,000	8/9	262,500	187,500
West Rand Mines... ...	400,000	63/9	1,275,000	400,000	13/9	275,000	1,000,000
Wolhuter	215,000	12½	2,687,500	860,000 In £4 shares	77/6	833,125	1,854,375
Witwatersrand	250,000	10¼	2,562,500	250,000	55/-	687,500	1,875,000
Worcester	90,727	85/-	385,590	93,722	70/-	328,027	57,563
York...	90,000	20/-	90,000	90,000	9/6	42,750	47,250
	95,217,325		150,470,171	36,808,155		53,262,535	97,364,402

Consumption of mealies.

grain than we really should pay. This is a very important matter, seeing the consumption of mealies, for instance, of some companies—I will take one company, the Modderfontein. They use 4,118 bags per year, at a cost of £5,560 last year, working out at 27s. per bag. 1,700 bags of these came from the Transvaal; 500 from the Orange Free State; and 1,700 came from America.

Capitalisation of companies.

Coming back once more to the question of capitalisation of companies and the shrinkage of capital. I have drawn up a statement (see Statement G) showing the enormous depreciation of values of companies. I have taken 105 companies which show a capital of £36,000,000, which in 1895 showed a capitalisation of £150,000,000, and they to-day only show the valuation of £53,000,000, showing a depreciation of over £90,000,000. This is exclusive of another 115 companies which have an issued capital of £29,000,000, and which, I should say, had also considerably appreciated in value during 1895 and since depreciated. Regarding the companies referred to by me above, I would state that I spoke from memory. There were 105 companies in September, 1895, with an issued capital of 29 millions. At the ruling rates during the highest price of 1895, the valuation came out at 150 millions.

Depreciation of capitals of companies since 1895.

The share value was 150 millions?—Yes; the share value. These companies show a valuation at to-day's price of £53,252,000, and show a difference of £97,000,000. The only two companies which have not depreciated in value are the Bonanza and Pioneer.

This concludes my statement, and I must thank the Commission for having listened so patiently to the whole of my statement.

Chairman.

Capitalisation of companies.

You tell us that this ground had a value of 150 millions, and that value is now reduced to 53 millions. How is that?—I think the prices were inflated.

I am going to take the opposite view. I am going to presume that the value of the ground in reality is to-day much better and much more than when you capitalised in 1895, so there is no proof before us that the value has depreciated, but it is only a proof that the capital has been put in the ground in excess of the value of the ground.—I can explain. The value of 29 millions did not in 1895, nor does it now, represent the intrinsic value of these properties. The public have placed their own value upon them. Some shares, even under the greatest times of depreciation, such as now, show a premium. For instance, I will take the Ferreira. It has a capital of £90,000, and the shares are standing at £16 a share. The Robinson Company has a capital of 2¾ millions, and the shares are standing to-day at a 40 per cent. premium.

Irrespective of speculation in shares, has the real value of the ground been diminished?—Apart from disappointing development, the intrinsic value of some ground has, however, only diminished from a working point of view. I mean, you have companies to-day which you know have a certain intrinsic value, but the conditions are such that some of the companies cannot be worked at a profit.

Working conditions of some companies

According to your statement you say that there are burdens due to unnecessary taxation. What do you mean by that?—That, at the present moment, all the burdens are absolutely on the mining industry itself.

Incidence of taxation.

What do you mean by taxation forming all the burdens?—That is: heavy railway freights, monopolies, and imposts.

Do not the merchants of Potchefstroom and Pretoria pay the railway rates?—They do.

Then why do you say it is only on the mines?—I do not say absolutely all; but I say that nine-tenths of it is.

They pay the same taxation?—Yes.

What do you mean by monopolies?—The dynamite monopoly, principally.

You said monopolies?—Well, I mean monopoly.

You must not speak so generally.—I could speak of the cement concession, which was a concession, but is no longer so.

Confidence of capitalists shaken: reasons for this.

Past remissness of Government to assist mining industry.

Industrial grievances of mining industry unsatisfied.

You have also said that the confidence of capitalists has been shaken?—Yes, and I can give you several reasons. One is that the incessant requests of the mining industry to the Government to assist the burdens have met with tardy and very often futile consideration. That, instead of facilitating the lowering of living expenses, nothing is done in that direction; that, speaking collectively, no desire is shown to really meet the industrial grievances of the mining industry, not even when most urgently required. Laws have been passed affecting mines which have been suffering great hardships, and on this I quote the *bewaarplaatsen* question. It was claimed by companies who sunk into the ground over £9,000,000 that their claim should have preference. The Gold Law prescribes that the discoverer of gold must have the preference. The farm-owner is provided for under the Gold Law, and why give him an additional consideration, and no consideration to the gold company.

Value of Witwatersrand gold fields.

Industrial conditions of mining industry must be altered.

I do not want an explanation of the Gold Law. It has been discussed in the Raad. Now, the capitalists invested their money first of all when the same conditions existed. How is it that they have lost confidence now? What has been done to shake confidence? When things were worse they invested their money; now things have been improved, confidence is shaken.—In the first place I must dispute the improvement in the condition of things; secondly, the confidence increased as people recognised and became more and more cognisant of the value of these goldfields. I will quote a geologist (a man of great repute), who states that within twenty miles along the reef from Johannesburg, he estimates the gold contents to be £700,000,000. That in itself is quite sufficient to inspire confidence in the value of the goldfields—assuming such statements to be trustworthy. The general belief also has been all along that the existing industrial conditions will alter. We are now brought face to face with it, because we see that a good many companies that have been trying to struggle all along are gradually giving way. We also find that it would require much more for the equipment of the mines than was originally estimated. This money was forthcoming. At the present moment it is lost.

Mr. *Smit.*

Mr. Albu's evidence.

Bogus flotations.

Flotations.

How do you reconcile the statements of experts who contend that there are £700,000,000 of gold in the fields, with that made by Mr. Albu, who has said that unfortunately there has been too great credence given to such reports, and that, therefore, many have been misled. In the second place, there are proofs that so-called gold mines had been floated where there was never any gold. If such reports are so reliable, as you say, why were not all the reports obtained before the companies were floated.—I cannot account for what certain people have done, nor have I knowledge, nor on the evidence of such opinion do I know that Mr. Albu for that matter made the statement that these companies were formed, and the shares taken up at a high price. I will admit and agree with Mr. Albu that in a time of excessive prosperity great advantage was taken by irresponsible people. But if you take the average of flotations here, and if you take the temptation that has been held out to make money out of flotations, and that more advantage has not been taken of it, you will come to the conclusion that these cases are exceptional. I think the temptation is so great that to-day, if some firms of reputation wanted to float a company on the Market Square for instance, they would get the following to take up the shares. But they have not taken any such advantage. I will admit that there have been flota-

tions which, properly speaking, should never have come into existence, but they form a small percentage of the companies which have been honestly floated.

Now, do you not think that the flotation of such valueless companies goes much farther to shaking confidence than a law which can be remedied?—I will admit this, that it has added to the withdrawal of capital. But I say that these people are not justified in losing confidence for these reasons only, because for the good reason that companies which, under normal conditions should work, cannot work at all now.

The Transvaal laws and the mining industry.

Suppose, now, you are a capitalist in Europe, and you invest £100,000 in the Free State, where the laws are bad, and £100,000 here, where the laws are good. Now, suppose you make money in the Free State, and you lose your £100,000 invested in the Transvaal, where would you put more money into?—What is a good and what is a bad law? My reply would be, I would put my money into the country where I knew that, under normal conditions, I would be able to make money.

But here the fact is established, that you can or you cannot make money?—If the laws had any bearing on insecurity of title, I should not put my money into that country where I knew that I had no protection. I can give an instance where we went to the Government and asked for the alteration of a law to give title-protection. This Government gave our title, for instance, immediate protection in the construction of the law regarding excess area.

You have never lost title to a property through defect in the law?—Yes, through the interpretation of the law, in the case of the Modderfontein Company on proclamation. We interpreted the law according to the opinions of the first lawyers here. We took counsel's opinion on the interpretation of the law, and then we went and pegged out our claims. The result of it is that through litigation we lost 110 claims, and we had to buy these back at an expense of £110,000.

Now, is that the fault of the law or the fault of arrogating to yourselves too much knowledge of the law? Did you ask the lawyers' opinion before you pegged off ground, or after?—We asked the lawyers' opinion before.

But about every law there are always two different opinions. Now, you cannot possibly say that it is the fault of the law if the High Courts' decision goes against you. The question I put to you was: Do you lose money through the defect of the law?—No. But there are instances, not speaking personally, but some in which I am interested, where properties on questions of the reading of the law are still in dispute.

Bewaarplaatsen.

Has any law ever been made in this country where property you held is taken away from you?—What do you call ownership under the *bewaarplaatsen?* I claim ownership because I have rights for which I pay licenses.

There you come again into the interpretation of the law, which is arranged by those interested?—What I say is, that the law exists, and under the Brickmakers' Law the *bewaarplaatsen* is mentioned, and that states that we should be entitled to the underground rights, and therefore, rightly or wrongly, it is either the defect of the law or the interpretation of the law. I say it is a defect in the law, and that under this law the companies had a claim of indisputable ownership.

The Gold Law nowhere gives underground rights, and the *bewaarplaatsen* regulation says that when gold is discovered, that those on top shall have the preferent right, but that you shall pay licences according to those you work on the top?—I can only quote the Brickmakers' Law.

You mentioned a law the other day which you proposed to the Government, which was once more adopted by the Government. Which one was that?—The Pass Law.

Further, you said that, after endless petitions, the Liquor Law has been introduced. Do you mean by that that it was the first time the Liquor Law was passed in this country?—No; I mean the prohibition of the sale of liquor. Liquor Law. History of the Liquor Law.

But you said after endless memorials?—That was the result of our memorials for restricting the sale.

I may tell you that the Liquor Law was in existence in 1881.—I only knew that when I wanted to get liquor for my boys, I had previously only to give him a note to the nearest canteen, and he would be supplied.

The law passed last year is only the amended law of 1881.—Do I understand that two laws exist—one prohibiting the sale of liquor in 1881, and another merely restricting the sale in 1896?

There is only one Liquor Law, but it has been amended from time to time.—That is the perfection of 1881 culminated in the law of 1896.

The other day you stated that kaffirs had to pay £2 10s.?—That is the native law. I have it to show that a native has to pay 10s. per hut, including one wife, and 10s. for every additional wife per year, and that he has to pay £2 capitation fee apart from that. Taxation of natives.

The kaffir fee is 10s. per hut, and 2s. 6d. for road tax, and he may take as many wives as he likes, and if he keeps all the women in one house, he has only to pay for one hut, so that giving £2 10s. you allow each kaffir five wives. Is there no reduction in kaffirs coming in parties of twenty-five through Komati?—I am not aware of that. Cost of transport of natives.

If you take the trouble, you will find that a considerable reduction is made, if you import them in lots of twenty-five?—I only know we pay 18s. 9d. per head for them.

Why do you always look at the dark side of the question, and not at the light side?—I must acknowledge that I did not know that I can engage a truck for kaffirs from Komati at under 18s. 9d. I must say that if this is the case, I am surprised that it is not done by the manager of the Native Labour Association.

I tell you it is so. You say that from Indwe you pay 18s. per head for travelling expenses?—25s. I said.

Do you not have anything to pay to get kaffirs?—We get most of them from the Cape Government. They deliver them here when we pay.

You only pay the travelling expenses?—Yes. An arrangement of this kind was come to between the manager of the Association and the Cape Colony.

You have said in your declaration that some mines must pay their dividends in order to justify their capitalisation. What do you mean by that?—What I meant to convey was that some of the outcrop companies have a longer life than others. It is necessary to consider the gold contents in a company, which is practically your capital; therefore, you have to make provision for the amortisation of this capital, because this capital is represented by the gold you are taking out. Every investor would, I should think, take the life of a mine, or take the gold contents into consideration, and so find the amount to be redeemed in a given time; therefore, he will make the provision out of the profits, because he knows that in the profits and corresponding price to-day is to be included this amortisation fund. Amortisation of capitals of gold companies.

Now, suppose the profits do not allow them to pay dividends, they do not take any of the capital, and still they pay dividends, do you pay dividends out of the capital?—That would be the case if you consider the contents of ground capital.

Do you suggest anything to meet the reductions to the revenue that would take place?—My idea is this, as a witness explained to-day: You show a revenue to the State which could be curtailed without any harm. If these concessions are given to Compensation for reduction of State revenue through

relief requested.

the industry, and to the population constituting the mining industry, this will bring new life into the industry. You must realise you have only got 53 producing companies, of which 20 are only paying dividends. We have over 158 mining companies, and I believe, and firmly believe, that if there is a reduction, not only of 2s. 8d. on coal and dynamite, but a considerable reduction, the vitality which will be given to the whole industry, the inflow of capital, the re-starting of companies, the increased number of people coming to the country, will more than compensate the concessions which we ask for now; and that expenditure will be equalled by the revenue, provided also that sums which, in my opinion, do not belong to the actual working of the administration, should come out of the revenue. For instance, mines have capital expenditure and working expenditure—that is what I mean.

I quite agree with you, but at the same time the State as an institution must not stop and go backward.—I believe the change would be an immediate one. I go further; I believe that a lot of companies would very soon start work, and I argue that if we do not get industrial economics that the depression will become more acute. Things will become worse, and I think my suggestion will be the better remedy.

Worse depression will ensue if relief is not given.

Statistics of expenditure of companies.

Expenditure of Henry Nourse.

Can you show statistics as to how the expenditure of the companies is made up? —I have got them with me. There is the statement of the Henry Nourse (statement handed in). I can give several more. Mr. Hennen Jennings will give you a complete statement of the working expenses of many companies I am interested in.

Reduction of rates between Port Elizabeth and Vereeniging in 1895.

Do you know any reason why in 1895 the tariff between Port Elizabeth and Vereeniging was considerably reduced?—Representations were made by Commissions.

Do you know why it was increased here at the same time?—The impression exists that it was in order to bring about no reduction, and then the Delagoa.

That is only an impression; I will tell you the facts. Delagoa Bay railway was just about being finished, and at the same time the Colony reduced its fares to such an extent that the administration of the railway asked for tenders to carry stuff from Vereeniging to Johannesburg?—That was the object, to charge low rates from Port Elizabeth—to give no chance to earn money in carrying goods from Vereeniging in order to make them come by Delagoa Bay line if possible. If you judge that case I would like you to take all these facts into consideration. I only want to explain to you because somehow you take a wrong view of matters. I don't want to excuse the Cape Government, they have also sinned.

Transit dues of Transvaal.

You alluded to the transit rates of the Transvaal; what do you mean by that? —If you want to bring mealies, for instance, to Matabeleland through the Transvaal you will have to pay 3 per cent. duty as well.

Transit dues in Cape Colony and Natal.

What are the transit dues in the Cape Colony and Natal?—It works out between 3 and 5 per cent.

Increase and fall of market values of companies in 1895.

What do you adduce to be the reason for the value of the mines rising in 1895 and coming down in the same way?—The rise is due, as I have given in my statement, to several conditions, and the reaction is due partly to over speculation and partly also to disappointment.

One of the former witnesses declared that the shareholders ought to know the value of shares. You have already said that the public gives the value to the shares. —Market value.

Flotations.

The public living outside cannot form a correct value of the ground unless it is told by the promoters of the company?—I think that touches on flotation. If a promoter floats a company, and asks the public to subscribe capital in other countries, it is done on the issue of a prospectus, and that prospectus gives the objects of flotation and the reasons of flotation, and the promoters are responsible for what they say in that prospectus. But when companies are floated privately, and the public asks for

shares, and they assume to have a certain knowledge, or good reasons for taking up the shares, how can it be prevented.

Can we assume for a moment that shareholders in Europe take up shares in such companies on the statements made in prospectuses ?—It is not done in this country. I know of very few companies which have been floated on prospectuses ; in the early days it was done.

If it should appear that the public put their money into valueless ground that can only be attributable to the promoters ?—I can only say this, that if a law does not exist, I think it would be a very good law if certain penalties were attached to promoters for misrepresentations in prospectuses.

I do not agree with you that the public give the market value to shares.—If I form a company, and I bring out a new company, and the public wish to take these shares on the reputation of the firm, and take them to a high price, how can I prevent it.

This morning I heard that the main reef does not pay so well, but there is a rich leader. Suppose you work the rich leader for two or three months, and the mine yields an average of 16 dwts., and you float a company, and put their shares on the market, and people bid for these shares. Then you work the main reef, and bring down the yield to 6 dwts., are the public then to blame for having put so much money in it in the first instance ?—In the first instance I would say this, that most of the companies issue reports, and very lucid reports, from which the shareholders can get all the information they require. If a company works this very narrow leader for market purposes they would be doing a wrong act.

I don't say it is done, but it is quite possible. Did your firm subscribe to the dynamite fund ?—Yes ; We subscribed £5,000 Subscription of Neumann and Co. to the Dynamite fund.

Did you take it from your companies ?—We did not take sixpence from the companies.

Chairman :

You give a long historical story of the whole matter ; but it is, shortly, reduced to this, that what really the industry requires is lower railway rates, cheaper dynamite, and popular administration of the Pass Law and the Liquor Law ?—No ; I say that it is not going to satisfy the whole of the country.

Still that is what the industry requires from the Government ?—No, I want something further ; what I suggest is the reduction of import duties ; and I want to see that living expenses are reduced. A great drawback is the expense of living in the country. Import duties. Cost of living.

How does the living here compare with other places in South Africa ?—Considerably more if you compare the salaries given here with those in the Colony. Take house rents alone. I know people who have got in Natal houses at £5 and £7 10s. per month, and here you have to pay £40 or £50. Take men living on a mine. At the Wolhuter there are 50 miners married, and they have to live in town or away from the mine. Their house costs them between £7 10s. and £9 per month. That rent is high I can understand, it is the question of capitalisation. A man builds a house and wants to get as large a percentage as he can on his capital outlay, because if, as he assumes, the conditions alter and the freights come down, he knows that, probably in three years time, the houses built to-day would cost considerably less. Consequently he wants amortisation of his money. That is why rents are so high. House rents. House values and railway rates.

Of course that would all be reduced if the railway rates were reduced ?—I should like to give another instance. It concerns myself. I bought a house this year for £7,500, and it has been valued by the Sanitary Board at £22,500. I objected, and Sanitary board rates.

the valuation was reduced to £17,500, in spite of the proof I brought that I had purchased the house *bona fide* for the sum named. I therefore have to pay taxes on £17,500, which is a hardship. I should like to say that in the £7,500 the sum of £1,400 is for the stands.

That is an entirely different question. You prove that the building cannot be excessive ?—I say I am wrongly taxed. I have bought in the open market; this man sold me nothing cheap.

The Sanitary Board here represents the public, therefore you do not put this as a grievance against the Government ?—No, certainly not; I am only speaking about the expenses of living here.

But that is a grievance against yourselves. Now, yesterday you suggested, as regards the execution of the Pass Law, and Liquor Law, that the Government should form an Advisory Board here of persons largely interested in these fields. Can you suggest any scheme how such a Board would be constructed—what would be its functions, duties, and its rights ?—I will take the Pass Law for instance. An incorporated Government Board should be formed, who shall have powers vested in them to amend and alter that law from time to time as they may consider fit. They shall have funds—say, the result of passes—placed at their disposal. If it is possible, let the Government make members of the mining industry members also, as in the Hospital and Sanitary Boards; then you can have this Board constituted by officials of the Government and members of the industry. But if the Government cannot see their way to do it, then we must have an Advisory Board, and if there are any suggestions for the alteration and the amendment of the law or its administration, the Board would consult with the advisory members of the Board.

Local government board.

Advisory board.

I fear if we adopt that system, the kaffir, instead of having to pay 2s., would have to pay 5s., just on the same lines as in the case you have mentioned in regard to the Sanitary Board. It will be a second Government within a Government. I consider it an unhealthy system. The law must be properly made—and it can be made properly without that Board—as formerly by yourselves, and experience will teach every time how we can amend and improve it. The Government must appoint such officials, and in sufficient number, and police for the carrying out of that law. So long as there is a want of that the public have always the right and liberty to petition the Government about it. I think this would be much better than establishing a Board here to carry out the law.

Mr. *de Beer:*

You said yesterday that many of the mines were stopped for want of working capital ?—Yes.

Now, if the industry and Government together can effect a saving of 6s. per ton thereby creating a profit on the production of gold, do you think that money will be available at once to re-open these mines ?—I certainly think that the effect on some of the companies, which are just making a very small profit to-day, and to whom a profit of 6s. per ton would make great difference, would in itself bring about a great change in our favour. I don't say that even a reduction of 6s. would bring many mines into life again.

Effects of a saving of 6s. per ton on working costs of mines.

Not the majority ?—No.

What do you think the reduction ought to be to bring the majority into life again ?—That is something I wish to bring before the Government. We ought to be able to work here at from 15s. to 17s. 6d. per ton. If we were able to do that you would see a very different state of things very shortly from what we have to-day.

Reduction of working costs required to bring majority of mines into work at a profit.

I understand from other witnesses that there is a large amount of ground which can be worked with profit in case the production costs can be reduced ?—Yes; certainly.

Are there many outcrop companies which give from 4 to 6 dwts ?—Yes.

And these give a profit if they are worked at 15s. 6d. ?—Yes ; very handsome.

At 4 dwts. ?—No, not in reduction ; 4 dwts. is not enough. There is an irreducible limit, and that is too low.

I take as a case the Geldenhuis Deep Level. This morning a diagram by Mr. Seymour, splendidly executed, was handed in, in which it showed that deep level near the danger line.—We must make allowance for outcrop mines having greater facilities. Geldenhuis Deep

Now, what difference would there be between the outcrop mine and the deep level to make the deep level pay ?—The case is a difficult one, because the Geldenhuis Deep are working a very wide reef. If you go to the West Rand you find companies are working a very narrow reef, and the working expenses are consequently more. They have to work more ground for milling purposes, and it is only by sorting that they can bring up the average. Sorting.

In the companies you mention is it a general method to sort ?—Yes, they all sort.

Now, about the Pass Law. You say the law was made by the industry, and that you now find defective clauses in it ?—Yes. Pass Law: amendments required.

Have these been altered ?—One has been altered in regard to the fines. One defect I pointed out to-day.

You will agree that these defects only appear when you work the law ?—Yes.

Upon the improvement you say that the Government makes £75,000 out of passes alone ?—I think I said about £54,000. State revenue from pass fees.

That gives a total of £150,000 in passes, Boksburg and Krugersdorp included. You said that money goes to enrich the Treasury ?—The net result I think.

Are you a member of the Hospital Board ?—Yes.

Do you know how the Hospital was called into existence ?—I know exactly. Formerly they got all the pass money; now they don't get all the pass money, but they get £26,000 grant from the Government instead. What we asked in the Pass Law is not to get the 2s., but I particularly laid stress on it yesterday by referring to the Draft Law. We do not ask for the 1s. the Government always used to get, but we ask for the additional 1s. we subscribe for administrative purposes.

HENRY NOURSE GOLD MINING COMPANY, LIMITED.

STATEMENT OF COSTS FROM 1st JANUARY, 1890, TO 31st DECEMBER, 1896.

Period.	Tons Milled.	White Labour.	Native Labour.	Coal.	Dynamite.	Stores, Gen. Expenses, Depreciation, &c.
6 Months from 1st January to 30th June, 1890 ...	3,657	£2,538 1 11	£1,253 10 6	£1,104 7 6	£976 0 0	£3,433 0 0
12 ,, 1st July, '90, to 30th June, '91 ...	8,259	5,015 10 6	2,848 6 10	2,599 13 0	1,934 12 6	4,585 10 2
6 ,, 1st July to 30th December, '91 ...	4,494	3,512 17 10	2,015 9 3	1,772 3 6	2,359 10 0	2,424 14 4
6 ,, 1st January, '92, to 30th June, '92 ...	5,267	4,391 0 4	3,597 16 11	2,120 7 8	2,225 17 6	4,517 19 5
6 ,, 1st July, '92, to 31st December, '92 ...	6,675	5,346 11 3	5,058 14 0	2,540 15 0	2,551 0 0	3,340 11 8
6 ,, 1st January, '93, to 30th June, '93 ...	8,122	6,997 12 9	8,169 10 6	3,529 9 1	5,312 2 6	7,512 13 1
12 ,, 1st July, '93, to 30th June, '94 ...	23,417	16,549 7 9	20,408 14 3	7,489 1 5	8,947 4 6	16,675 15 10
12 ,, 1st July, '94, to 30th June, '95 ...	29,366	26,338 17 0	31,493 10 11	8,903 17 5	15,318 15 0	18,317 11 2
12 ,, 1st July, '95, to 30th June, '96 ...	72,095	40,358 13 9	48,514 9 7	10,421 18 9	18,934 17 6	34,616 19 7
6 ,, 1st July, '96, to 31st December, '96 ...	51,563	22,131 13 3	26,520 10 8	4,494 1 8	10,212 10 0	24,826 3 7
Total	212,915	£133,180 6 4	£149,880 13 5	£44,975 15 7	£68,772 9 6	£120,250 18 10

	Cost per ton.	Percentage.
White Labour	12s. 6·14d.	25·75
Native Labour and Food	14s. 0·90d.	29·00
Coal	4s. 2·50d.	8·70
Dynamite	6s. 5·52d.	13·32
Stores, General Expenses, Depreciation, &c. ...	11s. 3·44d.	23·23
	48s. 6·50d.	100

NOTE.—In above Statement White Labour does not include the Manager's Salary, Directors' Fees, London and Johannesburg Office Expenses, which are included with the Stores, General Expenses, Depreciation, &c.

HENRY NOURSE GOLD MINING CO., LTD.

Details of Expenditure for Year ended the 31st December, 1896.

Heading.	Amount.	Cost per Ton.	Percentage.
	£ s. d.	s. d.	per cent.
Native Labour	48,241 13 0	10 5·448	29·332
Native Food	7,520 8 7	1 7·556	4·573
White Labour, Salaries, &c. (*see footnote*)	45,295 4 9	9 9·786	27·540
Coal	11,130 16 5	2 4·944	6·767
Dynamite...	18,884 15 0	4 1·108	11·476
Cyanide	3,207 18 4	0 8·341	1·950
Zinc	285 4 5	0 ·741	·173
Mining Timber	2,155 5 10	0 5·604	1·310
Timber, Deals, &c.	931 4 5	0 2·422	·566
Steel	1,473 4 11	0 3·831	·895
Oils, Greases, and Paraffin	1,877 16 7	0 4·879	1·142
Candles...	2,230 3 0	0 5·799	1·366
Ropes (Steel and Manilla)	308 5 11	0 ·801	·187
Forage, Chaff and Bran	1,010 4 8	0 2·627	·614
Electric Spares	196 1 7	0 ·509	·120
Mill Spares, Shoes, Dies, Cams, Cam Shafts, Stems, Mortar Boxes, and Screening, &c.	1,350 16 11	0 3·512	·821
Trucks, Wheels, and Rails...	448 13 2	0 1·167	·273
Pipes and Pipe Fittings	884 6 1	0 2·299	·537
Fuse and Detonators	1,043 17 6	0 2·714	·634
Bar Iron, Nuts, Bolts, Assay Chemicals, Mercury, &c.	6,890 13 7	1 5·918	4·190
General Charges (*see footnote*)	6,772 4 7	1 5·610	4·117
Insurances	1,131 7 7	0 2·942	0·690
Licenses and Rents	847 2 6	0 2·203	0·514
Printing and Advertising	351 5 2	0 ·913	0·213
Totals	164,468 14 6	35 7·674	100·000

NOTE.—General Charges include the salaries of the Manager, Mine Office Staff, Engineer, London and Johannesburg Offices, and Directors' Fees.

MEMO. OF SUNDRY COSTS, &c.

Sundry costs of Henry Nourse G.M. Co.

Cost of Round Coal at present time is 20s. per ton, delivered to bunkers; 5 years ago was 23s. per ton, delivered to bunkers.

Cost of coal on Henry Nourse in 1892 and in 1897.

Cost of Dynamite (Gelatine) at present time is £5 7s. 6d. a case, plus 1s. for cartage; 5 years ago price was £5 12s. 6d. a case.

Cost of gelatine on Henry Nourse in 1892 and in 1897.

White Men and Natives.—At present the Company employs 170 White Men, 1,650 Natives. With a few exceptions, all White Men are housed by the Company free. Rates of white wages at present, 18s. 4·34d. per day; 5 years ago, 16s. 7·02d. This includes salary paid to the Manager and all Mine Officials, but does not include Directors' fees, or London and Johannesburg Offices. Rates of Native Wages at present, 2s. 2·84d. per day; 5 years ago, 2s. 2·38d. per day.

White and native wages on Henry Nourse in 1892 and in 1897.

Waste Rock.—For 12 months, to 30th June, '96, sorted out 23 per cent.; for 6 months, to 31st December, '96, sorted out 19 per cent.

Sorting on Henry Nourse.

BONANZA, LIMITED.

Statement showing Details of the various Expenditure from September to December, 1896.

Specification.	Amount.			Cost per Ton.		Percentage.
	£	s.	d.	s.	d.	per cent.
Native Labour	2,920	10	5	3	7·4	11·1
Native Food	913	9	4	1	1·6	3·5
White Labour, Salaries, &c.	8,643	5	1	10	8·7	33·1
Coal	3,221	15	5	3	11·9	12.3
Dynamite	1,490	17	6	1	10·2	5·8
Cyanide	740	0	7		11·0	2·9
Zinc						
Mining Timber	326	17	9		4·8	1·2
Timber, Deals, &c.	1,354	8	11	1	8·1	5·2
Steel	103	0	1		1·5	·4
Oils, Grease, &c.	677	13	6		10·0	2·5
Candles	146	18	5		2·1	·5
Ropes (Steel and Manilla)						
Forage, &c.	84	19	7		1·2	·3
Electric Spares	260	18	7		3·8	1·1
Mill Spares, &c., &c., &c.	312	1	1		4·6	1·2
Trucks, &c.	80	4	8		1·1	·3
Pipes	175	3	9		2·6	·6
Fuse and Detonators	58	13	6		0·8	·3
Bar Iron, Nuts, Bolts, Assay Machinery, &c. ...	629	15	9		9·3	2·5
General Charges—Transfer Office, London Office, Mine Office, and Salaries	3,598	19	0	4	5·5	13·8
Insurances	310	16	10		4·6	1·2
Licences and Rents	42	0	0		0·62	·1
Printing and Advertising	23	4	9		0·3	·1
Total ...	£26,115	14	6	32	3·72	100·0

NEW MODDERFONTEIN G.M. CO., LTD.

Expenses from 1st May, 1896, to 31st March, 1897.

[*Calculations based upon 81,935 Tons Milled.*]

	WEST MINE.						
	Value.			Cost per Ton.		Per Cent.
	£	s.	d.	s.	d.	
Native Wages	34,524	11	6	8	5·13	29·196
Native Food	6,675	11	3	1	7·56	5·646
White Labour (Salaries)	35,564	0	9	7	8·45	26·689
Coal	6,987	14	1	1	8·47	5·910
Dynamite	9,096	2	6	2	2·64	7·693
Cyanide	1,135	10	2		3·32	·962
Zinc	212	0	0		·62	·177
Mining Timber	1,693	10	1		4·96	1·433
Timber, Deals, &c.	373	11	3		1·09	·317
Steel	1,547	18	3		4·53	1·310
Oils, Grease, Paraffin	978	15	5		2·89	·826
Candles	1,432	15	1		4·19	1·213
Ropes, Steel, Manilla	219	4	2		·64	·187
Forage, Chaff, and Bran	1,328	9	11		3·89	1·125
Electric Spares	137	13	3		·40	·118
Mill Spares	1,022	18	3		3·00	·866
Trucks, Wheels, Axles	642	0	0		1 88	·545
Pipes and Pipe Fittings	551	5	7		1·61	·468
Fuse and Detonators	784	0	8		2·30	·665
Sundry Stores and Machinery ...	7,174	7	6	1	9·01	6·067
General Charges	1,975	3	11		5·80	1·670
Licences and Rents	216	14	0		·63	·185
Printing and Advertising... ...	1,458	5	3		4·27	1·199
Town and London Offices ...	6,541	11	3	1	7·16	5·533
	118,273	14	1	28	10·44	100

TREASURY GOLD MINES, LTD.

Statement showing Details of the various Expenditure during the Year ended March 31st, 1897.

Specification.	Amount.			Cost per Ton.		Percentage.
	£	s.	d.	s.	d.	Per cent.
European Wages	19,691	9	2	5	4·302	22·2
Native Wages	17,964	7	5	4	10·662	21·2
Contractors	3,849	14	5	1	0·571	4·3
Miscellaneous Cash	312	6	9	0	1·009	·3
General Charges	8,101	11	4	2	2·455	9·2
Native Labour Supply	3,532	14	4		11·536	3·9
Coal	9,850	19	1	2	8·168	11·1
Explosives	8,608	3	10	2	4·109	9·7
Native Food	4,287	2	5	1	1·999	4·9
Cyanide	2,840	14	0		9·286	3·2
Zinc Discs	261	17	9		0·855	·3
Candles	992	2	10		3·239	1·1
Oils and Grease	880	16	5		2·876	·9
Drill Steel	311	13	6		1·017	·3
Tools	202	15	5		0·662	·2
Chemicals	590	0	6		1·926	·6
Mercury	133	17	6		0·438	·1
General Stores	2,629	12	6		8·587	2·9
Battery Fittings	920	6	6		3·005	1·0
Packing and Waste	310	13	5		1·024	·3
Bolts, Nuts, Washers, Bar Iron, &c.	382	17	4		1·250	·4
Mining Poles	148	15	7		0·485	·1
Shoes and Dies	813	12	9		2·656	·8
Rock Drill Spares	369	0	2		1·204	·4
Boiler Tubes	555	2	8		1·812	·6
Total	£88,542	7	7	£1	4 1·133	100·0

Tonnage, 73,496.

THE WOLHUTER GOLD MINES, LTD.

Statement showing Details of Working Expenditure for the Year ended December 31st, 1896.

Specifications.	Amount.			Cost per Ton.		Percentage on Total.
	£	s.	d.	s.	d.	per cent.
Native Labour (including Contractors and Redemption	54,402	6	3	7	9·8	28·4
White Labour do. do. ...	51,248	11	7	7	4·3	26·7
Charges, General Printing, &c. ...	1,998	2	7		3·5	1·04
London Office Expenses	891	2	6		1·5	0·5
Directors' & Financial Committee's Fees	1,250	0	0		2·1	0·7
Paris Agency	129	12	8		0·2	0·07
Committee of Investigation ...	533	6	8		0·9	0·3
Native Labour Expenses	4,312	7	11		7·5	2·2
Cyanide Royalty	5,360	16	5		9·3	2·8
Insurances	577	17	9		0·10	0·3
Claim Licenses	655	0	0		1·1	0·45
Stamps, Telegrams, and Cables ...	126	1	0		0·2	0·07
Stores (including Contractors) ...						
Coal	21,152	3	9	3	0·6	11·07
Gelatine	17,014	3	7	2	5·3	8·8
Cyanide	4,293	19	4		7·2	2·2
Zinc	234	18	3		0·3	0·1
Mining Timber	2,156	19	4		3·7	1·2
Timber, Deals, &c.	246	13	6		0·5	0·1
Steel (Drill)	2,503	3	4		4·3	1·3
Oils, Greases, and Paraffin ...	3,013	4	11		5·2	1·6
Candles	1,815	6	3		3·1	0·9
Forage, Chaff, and Bran	763	0	0		1·3	0·4
Electrical Spares	375	6	3		0·5	0·23
Mill Spares, Shoes, Dies, Cams, &c....	2,862	1	3		4·9	1·5
Truck Wheels, Rails, &c.	349	1	6		0·6	0·2
Pipes and Pipe Fittings	137	11	3		0·2	0·07
Fuse and Detonators	2,243	3	9		3·9	1·2
Bar Iron, Nuts, Bolts, &c. ...	279	4	9		0·6	0·1
Native Food	8,248	19	8	1	2·2	4·3
Sundry Stores	2,261	4	7		3·9	1·2
Total Working Expenses for Year	£191,435	11	6	£1	7 5·7	100·0

CROWN REEF G.M. CO., LTD.

Statement showing details of the various Expenditure during the Year ended December 31st, 1896.

Specification.	Amount.	Cost per Ton.	Percentage.
	£ s. d.	s. d.	per cent.
Native Labour	63,902 6 1	6 5·365	24·146
Native Food	12,305 15 10	1 2·898	4·650
White Labour, Salaries, &c. ...	77,222 8 3	7 9·491	29·180
Coal	25,909 14 5	2 7·368	9·790
Dynamite	24,995 18 2	2 5·172	9·105
Cyanide	8,324 3 5	0 10·077	3·146
Zinc	578 8 8	0 0·700	2·219
Royalty	7,907 6 3	0 9·573	·989
Mining Timber	2,091 5 0	0 2·531	·789
Timber, Deals, &c.	2,003 8 10	0 2·425	1·759
Steel	3,491 4 9	0 4·226	·319
Oils, Greases and Paraffin... ...	2,300 9 10	0 2·785	·869
Candles	3,175 3 1	0 3·844	1·199
Ropes (Steel and Manilla) ...	805 11 1	0 0·975	·304
Forage, Chaff and Bran	1,549 13 3	0 1·876	·585
Electric Spares	2,915 0 4	0 3·529	1·001
Mill Spares, Shoes, Dies, Cams, Camshafts, Stems, Mortar Boxes, Screening, &c.	4,027 8 7	0 4·875	1·522
Trucks, Wheels and Rails... ...	1,830 5 5	0 2·215	·691
Pipes and Pipe Fittings	953 13 8	0 1·154	·360
Fuse and Detonators	1,516 17 10	0 1·836	·572
Bar Iron, Nuts, Bolts, Assay Chemicals, Machinery, &c. ...	11,567 0 5	1 2·006	4·370
Insurances ... £1,449 7 0			
Gen. Charges, Sundries 1,412 0 5			
Licences and Rents 205 0 0			
Quartz Account... 1,187 6 1		dec. 7·463	
Printing & Advertising 1,913 16 3	6,167 9 9	dif. ·010	2·330
Total	£264,640 12 11	£1 6 8·394	99·995

Sundry costs of Crown Reef G.M. Co.

MEMO. OF SUNDRY STORES, ETC.

Cost of coal on Crown Reef in 1892 and in 1897.

COST OF ROUND COAL.—At present is 18s. 9d., delivered on Mine; 5 years ago was 21s., delivered on Mine.

Cost of dynamite in 1892 and of gelatine in 1897 on Crown Reef.

COST OF DYNAMITE.—At present £5 7s. 6d. a case—Gelatine—carriage 1s. 9d. per case; 5 years ago, £5—No. 1 Dynamite.

White and native wages on Crown Reef in 1892 and in 1897.

WHITE MEN AND NATIVES.—At present the Company employs 231 Whites and 1,695 Natives. About half the white men are housed by the Company, free. Rate of White Wages at present, £24 1s. 10·4d.; 5 years ago, £20 1s. 1d. This includes salary paid to the Manager and all Mine Officials, and also includes Directors' Fees, both London and Head Office and London Secretary, i.e., all. Rates of Native Wages at present, £2 12s. 7d. per month of 24 days; 5 years ago, £2 15s. 7d.

Sorting on Crown Reef.

WASTE ROCK.—None Sorted.

MR. MARTIN LUBECK was the next witness called. He read the following statement:— Mr. Martin Lubeck's evidence.

As so many details have been given by competent men, I should like to refrain from giving further details, and restrict myself to general remarks. The question of the day is focussed under that one point: "Is it possible to put an end to the prevailing depression, and to create prosperous times again?" My idea is that it is not alone possible, but that this is at the same time not so difficult at all. In reverting back to the former times of the industry, we find that only reefs giving an ounce per ton were considered payable, whereas, at the present time, reefs giving half that value, say 10 dwts., over the stoping width, are giving reasonable profits. The principal reasons of this are the great progress in the methods of extraction, and the great improvement in the machinery. Without these improvements the industry would surely have remained pretty small, for there are very few propositions which yield an ounce. Now, we all hope that further progress will be made in the methods of extraction as well as in machinery, but we cannot rely on that, and so at this moment we can better the state of things only through a material reduction in the working expenses. We must not lose sight of the fact that, wherever large industries have sprung up, the working costs of same are continually decreasing, and that, in anticipation of a similar process here, enormous sums have been invested here in low grade propositions. These sums would be lost if that process of gradual reduction of the working costs should not go on, and that would all the more be regrettable as the assumption under which the investment has been made was quite justified, and as, if this money should be lost, it would act as a severe check upon fresh capital being introduced. In America and Australia, mines of much lower grade have been made payable, as I am told. My opinion is now that it is possible to reduce the working cost by at least 6s. per ton, and I am convinced that, in case we get to that, the actual depression would at once be superseded by a new era of prosperity. The dividends given by the mining companies in 1896 amounted to about £1,500,000. The amount of tons crushed monthly is at present about 400,000, and a saving of 6s. on this quantity would amount to £120,000 per month. That would mean £1,440,000 a year, or, in other words, through such a reduction, the dividends paid by the mines of the Rand would at once become twice as much as they are now, and this fact alone would, in my opinion, be quite sufficient to restore confidence in Europe, whereas, on the other hand, it would also allow a great number of properties which do not pay at all now to be regarded as payable, and to be taken in hand. How do we now come to the reduction of 6s. per ton? I think it not very difficult to obtain this. It requires nothing but honest work and energy on the part of the leaders of the industry, and a willingness on the part of the Government to help as far as possible. As regards the management of the mines, for which the leaders of the industry are responsible, I am quite sure that most of these men are constantly trying to improve the administration of the mines, but I think that much can still be done in this respect, and that they ought to apply to that their utmost energy and ability. As regards the Government, I think that in case they give the industry reasonable reductions in the railway rates and the price of dynamite, this would effect a direct saving in the working costs of about 2s. per ton. The leaders of the industry are now already trying to reduce the kafir wages by 30 per cent., and if they succeed in that, which, in my opinion, they can do if they can get the support of the Government, this means another saving of 2s. Now, I am quite sure that the reduction of the railway rates and of the kaffir wages would cheapen the general conditions of living to such an extent that it would be possible to save another 2s. by reducing the white wages, the prices of stores, &c. As regards the general conditions of living here, they are, as everybody must confess, exceptionally high; and I think it is difficult to

The present depression.

Payable reefs.

Reduction of working costs required.

Possible extent of reduction of working costs.

Dividends of mines in 1896.

Tonnage crushed monthly.

Annual saving possible.

Government co-operation required to reduce working costs.

Reduction of railway rates and price of dynamite.

Reduction of native wages.

Reduction of costs of living.

find any other country in the world where they are as high as here. What is the reason of this? In European countries the conditions of life depend to a great extent on the wages which the day labourer gets. These wages are, so to say, the basis of the whole cost of living. In all greater works, as agriculture, construction of railways, building of houses, transport of goods, the wages of the day labourer represent a big item, and, besides that, if you give a day labourer, say 3s. per day, you are compelled to give a skilled labourer something more, say 4s. or 5s. per day, a clerk perhaps 8s. per day, etc.; and so the whole scale of wages, and further on, the whole construction of national economy, is built upon the wages of the day labourer. Now, as regards young countries whose industries are still in their infancy, and who have to import merchandise of every kind, the same principle prevails, with the addition that, of course, the freight rates play a most important part. I should, therefore, like to point out that the whole conditions of life here depend on the wages of the kaffirs and on the freight rates, and that, if we can succeed in reducing these two items, the cost of living will become cheaper, and the value of the mines far greater. As regards the reductions which the Government is requested to grant to the mining industry, it is quite clear, and it has been proved by former witnesses, that the railway rates are excessively high, in fact so high, that it is astonishing that they are still allowed to prevail. I understand very well that the Railway Company were allowed in their concession to charge high rates, because in these times the traffic was not very large; but now, as the traffic has become of an importance never dreamed of, a considerable reduction is only too reasonable. It is true that the Railway Company is, so to say, a private company; virtually, however, the Government is master of the railway, and can dictate the rates, because if the railway would not conform to them, the Government have the right to expropriate the railway, and the Government would, in this case, do a splendid business. There is only one point to be considered in this, and that is the possibility that through a reduction of the rates the share of the Government in the profit would decrease in such a way that the Budget of the State would be endangered by it. Now, it is my firm opinion that the profits would not at all decrease, because a reduction of the rates would doubtless bring a far greater traffic, for the simple reason that it will bring forth greater activity in mining, agriculture, etc. But in the unexpected case of a material decrease, such could not at all endanger the Budget. The Budget of this State is more splendid than the Budget of any other State in the world. The Budget for the current year leaves a certain surplus, though the heavy extraordinary expenses for different works and material have been brought into account as ordinary expenses, whereas anywhere else such kinds of expenditure would figure as extraordinary items, and would not be covered by the current revenue. I estimate this extraordinary expenditure at about £1,000,000, and, beside that, the profit of the Government in the railway business for 1896 has been estimated at only £500,000, whereas it will probably amount to one million—that is, £500,000 more. The real result of the Budget is therefore a surplus of £1,500,000. This is indeed a most marvellous thing, and the State may be congratulated on the Budget, for it is quite clear that other young countries are generally in want of great amounts of money, and have to raise big loans in order to develop the country. A great and very rich State like Great Britain has for the financial year of 1896 a surplus of £1,500,000, and you have no doubt read in the papers what extraordinary pleasure this surplus causes. A surplus of £1,500,000 in the Transvaal means £10 a head, as I take the white population to be 150,000, the black population not coming into consideration. If, for instance, Germany, with a population of 52,000,000, could make a proportionate saving, this would mean £520,000,000, and I

Causes of excessive cost of living.

Reduction of native wages and railway rates necessary.

The Government and the railway rates: right of expropriation.

Reduction of railway rates and the State revenue.

The State budget and the surplus.

think that would be sufficient to repay the whole debts of the German States. It is hence quite clear that the consideration of the Budget need not hinder the Government from reducing the railway rates, provided the Government supports the mining industry, from which the revenue of the State is drawn, and this support of the mining industry is just done by reducing the rates. Touching the question of dynamite, I think the erection in this country of a factory for such an article must be considered as an economic error, as the factory has to import all the raw materials, these not being found in the Transvaal. I once saw a dynamite factory belonging to the Nobel Company, situated on the banks of the River Elbe. Of course, such a factory has, besides its cheap wages, cheap machinery, etc., the great facility of getting its material by water at a low rate, and of shipping its manufacture in the same manner. I think if a factory in this country, with the big cost of everything, can sell dynamite No. 1 at 85s. with a profit, then that factory on the Elbe should be able to sell it at about one-fourth that price and make a nice profit still. Besides that, the factory here is only producing a small part of the dynamite wanted in this country, whereas it imports the greater part and sells it at an enormously high price, which it ought only to get for stuff manufactured here. This is clearly unjust, and I think it would not be difficult for the Government to obtain for the industry a considerable reduction in the price through negotiations with the dynamite factory, unless the Government prefer the cancellation of the monopoly. It is a known fact that all the goods manufactured on a large scale are bound to become cheaper from year to year through improved methods of working. As an example I would quote the case of cyanide: if a monopoly for the manufacture of cyanide had been granted here, the industry would have to pay a certain price, probably based on the price of the article which formerly prevailed here, as is the case with the dynamite, whereas the consequence of the free competition in cyanide has brought the price down in a few years from 30d. to 11d. a pound. I repeat that I refrain from details, and I think that these general remarks are quite sufficient. I am firmly convinced that the Government in giving the above-mentioned facilities, and in working hand-in-hand with the men of the industry, will effect an early restoration of confidence and prosperity. In conclusion, I should like to refer to a suggestion which has already been made. In European countries the authorities generally consult financial, commercial, and industrial men in all questions regarding freight rates, customs, construction of new railways, etc. Perhaps it would suit the Government here to do the same. Amongst this large community in Johannesburg there are men from every part of the world, and I think there are a number of men who understand these questions very well. I think it would not be difficult for the Government to select from these men a certain number of persons in whom the Government could have entire confidence, and whose experience could be advantageously made use of by the Government.

The State budget and the reduction of railway rates.

Dynamite factory in the Transvaal inadvisable.

Profits on imported dynamite.

Reduction of the price of dynamite or cancellation of the dynamite monopoly.

Monopolies and free trade: the price of cyanide.

Advisory boards.

Mr. *Smit.*

You are manager of a financial company ?—Yes.

You remember the fund that was created for the dynamite disaster ?—Yes.

Did you make a subscription to that fund on behalf of the company, or as manager personally ?—Oh, no; on behalf the company.

Every person does not subscribe himself ?—Sometimes they subscribe themselves; the directors of financial companies have the right to give certain sums for such purposes.

Can you give to charitable purposes without the consent of shareholders ?—Yes, of course, if it is not a big sum; the subscription must be within certain limits, although a director of a company must have certain liberty.

Subscriptions of companies to charitable purposes.

Supposing I was the holder of 20,000 shares, and living in Europe, and in the absence of special instructions would you be justified in giving £2,000 ?—I would not, and I have not done it.

You can subscribe without the consent of the shareholders ?—As a director I must have certain liberties.

As far as is wanted for business ?—Yes; but the shareholders, in electing me as director of a company, must have sufficient confidence in me. I am responsible for what I do, because at the end of the year the books are audited, and if I have done anything to which I am not entitled, then I lose their confidence. My shareholders have great confidence in me; if I were to request a greater amount for investment, I would get it to-morrow. I have just received an application in that respect, and I have answered that I don't recommend investments in this country, because I cannot see the prospect of good times until we get a material reduction in the working expenses.

These are two entirely different matters ?—Oh, yes; but the directors have a certain right in spending certain sums of money; they cannot spend thousands and thousands. But they have this privilege everywhere. My bank in Berlin always contributes certain sums to such purposes; you can see from the papers every day that all these companies do this.

The raid expenses and Mr. Lubeck's company.

At the time of the raid did you contribute to a syndicate for the expenses incurred ?—No. My company had nothing to do with the raid at all.

Not for the expenses made in Johannesburg ?—What expenses ?

There was a relief fund in Johannesburg ?—No, we never contributed to that. I would not have given anything to it.

Mr. *Hugo.*

Reduction of the price of dynamite and of railway rates.

You say there would be a 4s. per ton saving if certain reductions were made in the price of dynamite and railway rates. Now, to what price must dynamite be reduced to bring about that ?—It is difficult to fix a price. People have already stated that the price ought to be reduced to half the present price, but I don't know whether it is possible. But I think if you reduce the price of dynamite by one third only, and if you reduce freight rates considerably, especially on the coal, and if the railway transports coal in a more practical manner. I have never seen coal transported in bags. If the railway transports coal in a practical way, then I think about 2s. can be saved out of dynamite and freight rates. It is difficult to fix the amount of saving, because these expenses are different on different mines, and depend on different circumstances. The other 2s. would come out of a reduction in kafir labour.

The transport of coal.

The reduction of native wages.

Reduction of 6s. per ton will restore confidence.

If the reduction of 6s. per ton takes place, will a low grade proposition improve ?—If there is only a prospect of getting the reduction of 6s., the whole situation will alter at once. My opinion is that we can get back the confidence of European shareholders—not through words, but through dividends. Such a reduction of 6s. would increase dividends enormously, and such a state must restore confidence, there is no doubt about it. If I knew we could get this reduction, I would write my people at home to invest large sums here.

Reduction of white wages by reduction of costs of living.

It is very doubtful if you can get a reduction of white labour of 2s. per ton ?—The third 2s. per ton represents more than white labour; it includes stores, timber, &c.

And consequent on the reduction of the railway rates ?—My idea is that the whole cost of living will become cheaper. It is very high here. Of course it must be higher than in Europe, and even in other transatlantic countries. But here it is exceptionally high. I at one time could not comprehend it, although I have seen a great part of the world.

Mr. *Smit.*

Do you know the proposed south line from Elandsfontein to Roodepoort?—Yes. Don't you think if it is carried through it will do very much to reduce the freight of coals?—It is difficult to say. I have not studied it; but I think the principal purpose to be served by that line will be to secure a regular supply of coal for the mines. This supply has sometimes been irregular on account of the enormous traffic.

The proposed Elandsfontein-Roodepoort line and the coal traffic.

Mr. *Schmitz-Dumont.*

What is a fair dividend to expect a gold mining company to pay?—My idea as a financial man is that you must expect a high dividend. One day I heard a comparison was made between a railway and a mining company, but I assure you that I have had a large experience in financial matters, and in Europe you make a great difference between a railway share and a mining share, and especially a gold mining share. That is, a railway share is generally considered as a safe investment, and men who have to live on the interest invest in railway shares. But such men would not invest in gold shares. Besides which, there is another point. A dividend-paying gold mining company does not represent interest alone. A mine has a certain number of years of life only. If you take the dividend as interest, then after a certain number of years you will have seen that you have made a very nice interest, but that your capital has disappeared. You must calculate a certain part as amortisation.

Dividends of gold mines.

There are 54 companies on the Rand who altogether declare dividends amounting to 4½ per cent.?—But that is no dividend at all for mining companies. The whole situation here is that big dividends are as yet only expected; but I think if we get normal conditions here companies will make good dividends. For instance, take a company with a capital of £80,000. I know such a company. If you reduce kaffir wages by 30 per cent., as is proposed, it would mean for this company a saving of £12,000 per year—that is 15 per cent. dividend. If we get a reduction in freight and dynamite, this would equally mean a saving of 15 per cent.; and if we get the other reduction in white labour, after having created normal conditions of life, it will make another 15 per cent. And so this company, the shares of which are now about £5, and which gave a dividend of 40 per cent. this year, would give after these reductions a dividend of 85 per cent. So you see what I say about the renewed prosperity would be fulfilled if the people in Europe see that the profits of mines increase in such a way. They will get confidence at once, and I say this after having had great financial experience in every department in Europe and America.

Dividends of Rand gold mining companies.

Dividends and reduction of working costs.

A lot of people ascribe low dividends to the over capitalisation of the mines?—In my opinion a great deal of over speculation has gone on here. But, of course, in such a new country as this and in such new industries, this is intelligible. After 1870, when Germany came into possession of a great amount of money, there was an enormous period of flotation, and, at the same time, an enormous amount of over speculation. Of course, a very big smash followed, known as the "Vienna smash." But, later on, after the recovery, many of these former flotations which had appeared bad, became good again, and I thought the recovery which had followed that smash was the cause of the great prosperity and success of German industry. For among a great number of flotations, there were finally a certain number of good flotations, and if that period of flotation had not existed we could not have got these good things.

Over-speculation.

The "Vienna smash."

You prefer people would call it over-speculation rather than over-capitalisation?—I think in mining companies it is very difficulty to say what is over-capitalisation. You see in floating a company you put in the ground at a certain price; sometimes you think you know the value of the ground from the returns of the adjoining claims,

Over-capitalisation.

but you never really know the value, which is only found after working a certain time, so you see it is difficult to say anything about over-capitalisation. If the cost of working does not become cheaper, a certain number of mines will have to shut down, and the question with these mines is not whether they are over-capitalised or not, but that the monthly revenue in gold covers, at least, or exceeds the working expenses—that is the question now.

You say the question of over-capitalisation can only be judged by the results of the mine?—If you speak of over-capitalisation, you can also speak of under-capitalisation. I know, for instance, a company with a capital of £85,000, and it spent £100,000 last year for machinery, &c. They put a big premium on their reserve shares; and so if you see on the one side over-capitalisation, you see here at the same time a good deal of under-capitalisation as regards the nominal capital.

Take the industry in general, could it be said there is over-capitalisation to any extent?—It is very difficult to answer that question; you have to study every individual company in order to ascertain that.

Deep level capitals.

A lot of companies, especially the deep levels, still require money?—Yes, they still require money. I think most of these deep levels are under-capitalised; they have issued their shares at very high prices, otherwise they would have a nominal capital of millions. Take, for instance, the Crown Deep; I think the whole capital is £400,000, but the value of the mine is such that the shares are in the market at £10, and the value in the market, therefore, is £4,000,000. The capital being so small is, in my opinion, the only reason that the shares have been issued at a very high premium.

Chairman.

Do I understand you that you say there must be a general reduction all round?—That is my opinion.

Merchants' prices and reduction of price of dynamite and of railway rates.

It will not help much to make a reduction in railway rates and dynamite, because the working people on the fields are more dependent on the mercantile people—say, for instance, a reduction is made in railway rates and the mercantile people retain their prices?—They cannot retain their prices; competition will bring them down. There is great competition between commercial people here. I am connected with one large commercial firm, and I know that very well.

Merchants' trade profits.

What is the average profit put by merchants on their merchandise generally?—I think the profit is not very great; the reason of that is, expenses are so high and there is really enormous competition.

Do you think the profit would be 100 per cent.?—No, that is impossible.

Can you give any idea of the average?—The company with which I am connected makes very small profits, sometimes 5 per cent., sometimes 10 per cent., and on some articles perhaps 20 per cent. Generally the profit is very small, and the expenses are enormous; expenses for horses, natives, for rent, &c., are very high. I know a great number of merchants have not succeeded on account of competition; the competition, for instance, in corrugated iron is so great that I do not believe merchants make any profit on it at all.

Reduction of railway rates and the State revenue.
Hungarian railway rates.

Do you think a reduction in railway rates will cause an increase instead of a decrease in revenue?—I think so. That has been the case in one country in which industry has become splendid—that country is Hungary, where you have very cheap railway rates. You can imagine what they are when a labourer can go from one boundary of the country to the other for a few shillings. I went from Pesth to a place named Deva, a distance of at least from 250 to 300 English miles, first-class, fast train, for about 12s. The Government of that country is held in high esteem for

having succeeded in creating a very good state of affairs in the country; everybody knows that in Europe.

Conditions are different here because expenses are so high, and if you have largely increased revenue it means largely increased expenditure?—Yes, but the expenses never increase proportionately; if the traffic becomes greater the expenses become proportionately smaller.

Railway revenue and expenditure.

Of course, if you get a reduction there never will be a bigger traffic than demand requires?—Yes, there will be a bigger traffic, because we will begin to work other mines.

Reduction of railway rates and increase of traffic.

You want a reduction in all branches of the industry in order to make it possible to make the mines pay. You acknowledge some mines don't pay, and some mines pay a dividend of 275 per cent. If a reduction is made on everything in order to make non-paying mines paying mines, my conviction is that there must always remain a certain number of mines that won't pay, and after all, the reduction would be made in favour of those mines that already pay big dividends. Do you consider that right, and what steps do you propose to level matters?—You cannot level up dividends. I think the more profits a mine makes, the better it will be for everybody. I think if you create such a condition as to make payable all the mines on the Witwatersrand—and I think it is possible—then you will see development of business here of which we have no idea at this moment.

Relative advantages of the reduction of working costs to the rich and poor mines.

Mr *de Beer.*

Can you give a more explicit reply to that question? In the first instance rich mines like the Ferreira, Worcester, Crown Reef, and Robinson, and such like mines pay large dividends, and if they share equally in the reductions they would benefit to a great extent by-and-by. Can you suggest something to remedy that state of affairs?—You see in case you get these reductions the dividends of these rich companies will not increase very much. Take the Ferreira for instance. Say they make a profit now of 30s. per ton, and later on they will make a profit of 36s. That will not increase their dividends very much. If they give 275 per cent. now they would then give 325 per cent. These reductions would make an enormous difference to the poorer mines. A mine that can make 6s. profit per ton will afterwards make 12s., and in the case of a mine that can pay nothing at this moment it will afterwards pay 6s. That is a big difference to the poor mine; for the rich mine it does not mean very much.

That does not answer my question; it only reminds me of the good old saying, "That unto him that has much more shall be given." Will not the rich mines under the altered conditions get enormous dividends?—No.

If everything is brought down will not the greatest benefit be derived by the rich mines?—No, I don't think they will benefit very much. Say we have a poor mine that employs 1,000 kaffirs and 200 white men. In case we shut down that mine the traffic which is caused by the 200 white men and 1,000 kaffirs will disappear, besides all the traffic of stores for the mines. The State gets a little out of this traffic in customs and freight, and in other ways, and it would be a great disadvantage to the Government to shut down this mine. On the other hand, if you can work more mines, and if you have more white workmen and more kaffirs, then of course the traffic will increase and the Government will get more revenue.

Mr. *Smit.*

What company do you speak about that carries so cheaply. Is it a private company?—No, it is a State railway.

Hungarian railway rates.

Is it over the entire State, or over a certain distance in order to benefit a certain industry?—I think most railways belong to the State now.

And they all charge as cheaply as the one you quote?—Yes; they are all worked on the same cheap basis, and I know that State has made enormous progress within the last few years.

Mr. Seymour's evidence.

LOUIS IRVING SEYMOUR was next called, and he stated:

I am a mechanical engineer, and have been resident in Johannesburg since July, 1896. Before that time I lived in London.

Chairman.

On what points can you give the Commission evidence?—I can give you some evidence on railways, the transport of coal, and the equipment of deep level mines.

This evidence you have about coal and freight rates, is it the same as the other evidence we have got?—I have given more carefully prepared statistics, and some suggestions with regard to the transport of coal.

About coal rates and freight we have got a lot of evidence. and if you will hand in your statistics then you can give your information about deep level mines?

Railway rates on coal.

Rates on coal on American railways.

Railway rates on machinery in America, the Cape, the Orange Free State, Natal, Portuguese territory, and on the Netherlands Railway.

Railway rates on coal in America and on the Rand.

Price of coal at pit's mouth.

Consumption of coal by mines.

Suggested reduction of railway rate on coal.

Costs of bagging and off-loading

Possible total reduction in cost of transport of coal.

Estimated cost of equipment and development on deep level mines of 100 and 200 stamps respectively.

Witness.] There is a little evidence about the transport of coal I would like to give. I will refer first to American railways. In 1892 all the American railways carried 88,241,050,225 tons one mile, for which they received ·442 of a penny per ton per mile. The lowest rate was one farthing per ton per mile, and the highest ·866 of a penny per ton per mile. To show how the industry and the whole of South Africa, not alone in the Transvaal, is handicapped, I will quote some further figures. We have machinery in America at one half-penny per ton per mile; in the Cape and Orange Free State it is 2½d. per ton per mile; in Natal it is over 3d.; in Portuguese territory more than 4d; in the Netherlands Railway by the Cape it is 7 7-10ths. pence, which is 15 times the rate in America, and by the Rand Tram it is seven times. Especially the rate on coal is exceedingly heavy here. The standard rate for conveyance in America, over a mountainous journey in specially built trucks, which cannot be used on the return journey, is one-third of a penny per ton per mile. The rate from Springs to Geldenhuis Deep is 10·80 times that amount. I think a great saving might be made in the transport of coal. There could be a saving in bagging by the adoption of scientific trucks, which will save us the total cost of off-loading coals. The average selling price of coal at the pit's mouth is 8s. per ton, and the average distance covered by rail is about 30 miles on the Rand. The tons consumed by the mines, which were transported by rail for last five months, were 83,080 tons per month. If the railway rate were reduced to 1¾d. per ton per mile all round, including terminal charges, this rate would be still more than five times the rate in America, and the saving for the last five months would be more than £18,000 per month in transport. Bagging costs 2s. per ton, and off-loading at the Jumpers Deep, for instance, where we have accurate accounts kept, costs 2s. ⅜d. per ton. These three items could be reduced in the following amounts—£18,173 for transport, £7,477 for bagging, £8,308 for off-loading, making a total of £33,958 per month, equal to £407,500 per annum. The estimated costs for equipment and development on an average for deep level mines having 100 stamps is:—For construction, £231,000; development, £197,000; total money actually required for equipment, without paying for claims at all, is £428,000; so the average cost per stamp erected is £4,280. For a mill having 200 stamps, construction will cost £315,000; development, £236,000; total, £551,000; so that the average cost per stamp is £2,755. These amounts are found principally from actual costs, only the items yet remaining

to be constructed being estimated on. One reason for the high cost of the construction work is the large outlay necessary for cyanide and slimes plant, and the necessity of laying down such plant as will save as much labour as possible. Now with regard to the points on which any saving can be made in deep level construction. We have on one mine the sum of £93,788 spent for construction alone; £61,587 for material, or 65⅔ per cent., and £27,799, or 29⅔ per cent. for labour, and general expenses were £4,400, or 4·69 per cent. I do not think that this percentage for labour is too high, as I find in large manufactory works in England that the average cost for labour was 31.7 per cent. on the average of the total cost of machinery manufactured. I have taken one mine, the Jumpers Deep, for instance, at which data are very carefully kept. Up to December 31st, 1896, we have spent for construction, £101,000; for development, £111,000; total cost, £212,653. The wages during that time amounted to £41,710 for white labour, and £14,128 for kaffir labour, or £55,838, which comes out 26¼ per cent. of our total expenditure. The items on which we hope to save are, for material, about 75 per cent., and for labour, 25 per cent. So our chance for saving on machinery is three times as much as on labour. In developing the deep level mines our total pay for a white man is on an average 19s. 6 6-10d. per day. That is higher than is usual with mines which are stamping, since they have lower paid men than we have, during the development and construction stage, as nearly all underground men are first-class miners, and for construction a large number of high-priced mechanics are employed. I have developing wages here for a few gold fields, of which I have got accurate information. These are new fields in the same sense as the Johannesburg fields are. Transport is so easily obtained all over the world that we are in competition with these fields to some extent for labour. We have on the Crown Reef 18s. 6d. paid per shift; on the Jumpers Deep 19s 4d.; in Montana, in the northern part of America, we have 14s. 4d.; in Nevada, one of the Western States, we have 17s. 3d.; in British Columbia 20s. 6d. So I do not think our wages are greatly in excess of those paid in other parts of the world. In my special department here I have a number of draughtsmen making plans, the four principal men receive £27 10s. per month. The four principal men in engineering works in England, with which I was connected, receive £21 2s. 6d. per month, so our wages are about 29 per cent. higher here. In England the cost of living, bedroom, etc., is £8 12s. per month; here it is £11 a month for less accommodation. The extra cost of living here is 28 per cent., and the wages are 29 per cent. more. Such items as cab fare, railway tickets, going to the theatre, and other expenses which men have to incur, are very much greater here, and I do not think that those wages can be reduced at all without sacrificing efficiency. I come now to the cost of machinery on board the steamer in England, America, or the Continent, and the cost of erecting it in working order on the mines. I have only got a few items here, and the average cost of all these items is £13,928; the cost of erecting on foundations, without any buildings over them, is £34,079, so that machinery costs, erected at our mines, two and a-half times more than its original value. From the Chamber of Mines' reports, it would appear that 5,135 stamps have been erected, and during the year 1896, 3,740 of these were running at some period or other. If we estimate the amount of money which has been spent on stamps, and what we find it costs us at present, and which I think is cheaper than the early mines were working upon, it would amount to about £22,000,000 sterling spent upon construction and development of mines, not including the payment for claims. Then that amount will be about £12,000,000 for construction and £10,000,000 for development. I have here a table which I need not give at present; it contains the number of men employed on the mines per stamp.

Expense of cyanide and slimes plant.

Percentages of construction expenses.

Percentage of cost of labour to total costs in English machinery manufactories.

Statistics of expenses on Jumpers Deep mine

Percentage of cost of labour to total costs on Jumpers Deep mine.

Expected economies on material and labour.

Average daily wage of white miner on developing deep level mines on Rand.

Average developing wage per shift of white miner on Crown Reef and Jumpers Deep mines, and in Montana, Nevada, and British Columbia.

Average monthly wage of four principal draughtsmen on the Rand, and in England.

Cost of living on the Rand and in England

Comparison of prime cost of machinery delivered on board ship and when erected on mines here.

Total cost of construction and development of mines, not including payment for claims.

Mr. *de Beer*.

What do you mean by 30 per cent. for sorting?—I mean, taking the case of the

Sorting.

Saving on Ferreira mine through sorting.

Ferreira, that for each 100 tons of mining done, 30 tons waste rock is sorted out—that is, rock that has no gold in it.

What do you reckon is saved by that?—Mr. Johns has made a statement by which he shows that the saving is £200,000 per annum.

Sorting at the Geldenhuis Deep and Crown Reef.

Is it a general principle adopted on all the mines?—It is being adopted. I may say that at the Geldenhuis Deep we have commenced sorting, and for 7¾ per cent. allowed for this we have an increased value of the yield of 7·10ths. dwt. It does not pay to crush the rock that has no gold in it. At the Crown Reef also we have had better results. We began sorting last month also.

Introduction of sorting.

Is it a new method?—No, it is not.

It has only just lately been applied?—It has been applied for more than three or four years by some companies.

It is now commencing to get general?—Yes.

The Ferreira mine carry this on with an average profit of £200,000 per annum?—No; an average saving.

Economy of sorting.

Now, when sorting gets into general use, will it not revolutionize mining?—Many companies have too many stamps erected, and the manager likes to see all the stamps working. This sorting would prevent this, in other words, the rock containing the gold can be crushed with fewer stamps than when crushing the waste as well.

Then there is proof when the Ferreira can save over £200,000 a year, others can also save money?—You can save money by sorting rock, but where the leader and the Main Reef come together you cannot sort at all.

Are there many mines where it happens that the Main Reef and the leader come together?—A great many. At the Geldenhuis Deep we have the Main Reef, which is not very rich, while the Main Reef leader is very rich. If we sort out the intervening waste rock we can crush more of the Main Reef, but the Main Reef being much poorer, we do not get a corresponding advantage. It means crushing rock which will return perhaps 6 dwts., where the leader may run 2 or 3 ounces, so that the total gain in sorting is not in proportion to the total amount crushed.

The mines to the west of Johannesburg have not the Main Reef and leader close together?—But they have a thin reef, which in order to crush, you must take out a large percentage of rock.

And this makes sorting necessary?—Entirely so, many mines could not be worked at a profit without sorting.

Mr. *Smit.*

Cost of living for a draughtsman in the United States and at Johannesburg.

How would you describe the cost of living on the mines?—Well, a draughtsman in the States would pay for board, two rooms, and washing, £5 18s. a month; and in Johannesburg some of my draughtsmen, who occupy similar positions, pay from £11 to £12 and have only one room.

Salaries of mine officials in Johannesburg, Australia, and the Western States of the United States.

How do the salaries of officials run?—They are less in Johannesburg than in Australia, and slightly higher than in the Western States of America.

What do you mean by mine officials?—The manager, engineer, mill manager, and cyanide men.

And these are paid more in Australia than here?—Yes. I may state that I was managing director of a large manufacturing firm of mine machinery in London, which also did business in America. We were constantly asked by mining companies in Australia, the Straits of Borneo, and South America, to send out managers, mill managers, and other skilled workers, and the average rates in Australia were much higher than here. We have had to pay as much as £3,000 per annum for a first-class underground foreman. The demand during the past two years has been very great

for managers, and this class for Australia, British Columbia, South America, Siam, and the Straits of Borneo.

How does the salary to miners here compare with those paid in Australia and America?—The salary to miners is about the same as in Australia, less than in British Columbia, and slightly more than in the Western States of America. I have given a table about that. It is to say that these are new fields, which are in competition with us.

Wages of miners in Australia, America, and on the Rand.

Have you compared the salary of the miner in America with the salary of the miner here, and the expenses of living there with the expenses of living here?—Yes. The expense of living would be 25 or 30 per cent. less than here.

Comparative cost of living of miners in America and on the Rand.

On the salary he earns in America, how much per cent.?—The salary, in some cases, would be slightly less—say as 17s. 3d. is to 20s.—that is 12 per cent.

Difference between wages of miners on the Rand and in parts of America.

You calculate the cost of mining per stamp?—Yes. The total construction and development is £4,280 per stamp for a 100-stamp mill, and for a 200-stamp mill it is £2,750 per stamp. That is to say you must have the same offices and the same shaft, and nearly the same general construction on the surface for the 100-stamp mill as for the 200-stamp mill. The larger mills are cheaper.

Comparative cheapness of large mills.

Mr. *de Beer.*

Can you explain why the Geldenhuis Estate Company is marked on this diagram as being far nearer the danger-line than the Geldenhuis Deep?—I think the value of the rock varies in diagonal chutes, and in certain parts of the Geldenhuis Deep, especially the upper part, it is much poorer than the lower levels. At present the Geldenhuis Estate is now working rock of less value than they did on some of the upper levels, so that certain levels are poor, and at another level you may find much better rock, and it is quite possible that below that you may find poor rock.

Value of rock of the Geldenhuis Estate and the Geldenhuis Deep mines.

Can you tell us the average return per ton of the Geldenhuis Estate?—The recovery is given on the plan. I could not tell you exactly.

I know that the deep level is 6½ dwts?—It is a little more just now.

Actual and average return per ton of the Geldenhuis Deep.

I know that, but what is the average?—In February the recovery was 7.42 dwts., and the yield for the month of April was still more, but we are working now in better levels and the rock is slightly better.

You do not know the yield of the outcrop company?—I have a complete table, but unfortunately I have not got it by me.

The Chairman then thanked Mr. Seymour for the information supplied, and asked him to hand in the statistics about the yield.

The following Statistics and Diagrams were handed in by witness in the course of his examination:—

OCEAN FREIGHTS.

(All per Ton of 2,240 Pounds.)

UNION, CLAN LINE, and AMERICAN and AFRICAN STEAMSHIP LINE.

(From New York to South Africa direct.)

FREIGHT RATES ON MACHINERY.

	Cape Town and Algoa Bay.	East London and Port Natal.
Not exceeding 2 tons in weight	32/6	40/-
" 2½ "	37/6	45/-
" 3 "	42/6	50/-
" 3½ "	47/6	55/-
" 4 "	52/6	60/-
" 4½ "	57/6	65/-
" 5 "	62/6	70/-
" 6 "	67/6	75/-
" 7 "	72/6	80/-
" 8 "	77/6	85/-
" 9 "	82/6	90/-
" 10 "	87/6	95/-
" 11 "	92/6	100/-
" 12 "	97/6	105/-

NOTE.—Ten per cent. primage is charged on all the above rates, returnable in the form of rebate. The latter is claimed on the 31st January and 31st July of each year, and is payable six months thereafter.

SAILING VESSELS—LONDON TO EAST LONDON, &c.

	East London.	Algoa Bay.
1. Mining Machinery and Cement (iron drums), up to 3 tons	18/9	17/3
2. Boilers, &c., 3 tons to 9 tons	23/-	22/3

All per ton weight or measurement (ship's option). Freight net. No primage.

STEAMER FREIGHTS.

(All up to 3 tons weight.)

From LONDON, LIVERPOOL, or GLASGOW to :—

Destination.	Name of Line.	I.	II.	III.	IV.
East London ...	Bucknall and Clan	51/3	38/9	32/6	30/
East London ...	Castle and Union (intermediate)	52/6	40/-	32/6	30/-
East London ...	Castle and Union (mail) ...	55/-	41/3	32/6	30/-
Algoa Bay ...	Bucknall and Clan	42/6	31/3	25/-	22/6
Algoa Bay ...	Castle and Union (intermediate)	45/-	32/6	25/-	22/6
Algoa Bay ...	Castle and Union (mail) ...	47/6	33/9	25/-	22/6

Class I.	Machinery, Boilers, &c.
„ II.	Trucks, Piping, &c.
„ III.	Rails, Soap, Earthen Pipes, &c.
„ IV.	Bar Iron and Steel, Cement.

On packages over Three Tons weight, 5/6 additional on every Ton or Half-Ton up to Five Tons.

From Five to Twelve Tons, 5/6 per ton additional. No charge for heavy lifts or heavy measurement.

SEA FREIGHT.

From New York to London ... ... 12/6 per long ton.

From Chicago to London on heavy boilers, *via* Kanawha Despatch (Railway, 1,000 miles; sea distance, about 3,300 miles), 50 cents. per 100 lbs., equals 40/6 per ton of 2,240 lbs.—(Weight or Measurement *not* at ship's option.)

SEA FREIGHT.

From New York to San Francisco, *via* Galveston by sea, thence by rail on South Pacific Road to San Francisco:—

In Summer ...	1/5¼d. per 100 lbs.;	per ton, 2,240 lbs.,	£1 12s. 2d.
„ Winter ...	... ...	„ „	£2 6s. 0d.

RAILWAY RATES.

For comparison of Indian and other Railway Rates per mile, *Engineering*, Vol. 42, p. 214, says:—

CHARGES PER TON PER MILE IN PENCE.

Class of Goods.	India.	England.	Belgium.	Holland.	Germany.
Grain	0·85	1·54	0·79	0·96	1·13
Cotton	1·53	2·77	1·74	1·61	1·61
Cotton Goods	1·28	2·64	2·22	1·61	2·06
Sugar	0·85	1·12	1·60	0·96	1·32
Average ...	1·13	2·02	1·59	1·28	1·55

ENGLISH RAILWAY RATES IN 1893.

From *Engineering* (Vol., 65, p. 48 Jan., 1893.)

Name of Railway.	Old Maxima per Ton per Mile.	New Maxima per Ton per Mile. First 20 Miles.	Next 30 Miles.	Next 50 Miles.	Remainder of of Distance.
Great Eastern	2d.	1·80	1·50	1·20	0·70
Great Northern	2½d.	1·80	1·50	1·20	0·70
Great Western	2½d.	1·80	1·50	1·20	0·70
London and North Western ...	2½d.	1·80	1·50	1·20	0·70
London, Chatham, and Dover ...	3d.	1·80	1·50	1·20	0·70
North Eastern	2d.	2·0	1·75	1·50	1·25
South Eastern	2d. to 3d.	1·80	1·50	1·20	0·75
Taff Vale	2½d.	1·80	1·50	1·20	0·70
Lancashire and Yorkshire ...	2d.	1·80	1·50	1·20	0·70

THE COST PER TON PER MILE IN GERMANY HAS BEEN :—

Year.	Cost in Pence per Ton per Mile.
1868	1·063
1878	0·911
1880	0·852
1882	0.815
1884	0·792
1886	0·788
1888	0·753
1890	0·749

Ordinary recent rates for machinery over various roads in America per ton of 2,000 lbs.

	Total charge.	Distance (Miles).	Rate per ton (per Mile).
Chicago to Atlanta, Georgia ...	47/7	1,500	0.3807d.
" Syracuse, New York ...	18/10½	670	0.3381d.
" Denver, Colorado ...	94/5	1,041	1.088d.
" New York, New York...	24/7½	960	0.3078d.
" San Francisco, Cal. ...	90/3	2,416	0.4485d.

On the following named materials the rate from Chicago to New York in 1892, and which practically governed all railway rates in the Eastern States, was per ton of 2,000 lbs. in car-load lots :—

(Distance: 960 miles average).

	Cotton Goods.	Stores.	Coffee.	Starch.	Sugar.	Soap.	Machinery.
Material Rate in pence per ton per mile	0·513	0·257	0·257	0·257	0·257	0.2668	0.308

For American Railways the total actual cost of carriage to the Railways themselves was as under :—

Railway.	Pence per ton per mile. 1887.	1888.	1889.	1890.
Main Line Branches ...	0·3298	0·3103	0·3053	0·2955
United Railroads of New Jersey	0·6303	0·6007	0·5761	0·5663
Philadelphia and Erie Railroad...	0·2659	0·2511	0·2709	0·2511
Lines East of Pittsburg and Erie	0·3595	0·3398	0·3348	0·3201

Transport of and rate for coal on American railways in 1892.

In 1892 all the American Railways combined carried 88,241,050,225 tons one mile, for which they received $799,316,042, or at an average rate of 0·898 cents; equals 0·4422d. per ton per mile.

The lowest charge was on the Chesapeake and Ohio Railway, which was 0·2561d. per ton per mile. The highest was the New York, New Haven, and Hartford, which sent most of its heavy freight by steamer. Its railway rate was 0·866 per ton per mile.

Dividends of American railways in 1892.

During this year the average rate of dividend paid by all the railway companies combined was 2·11%, and this amount was paid by 40% of all the lines. During the same time, 15% of all lines paid no interest on their debentures.

Comparing the various average rates above cited, we have

English, German, and American railway rates.

German (latest quoted) ...	0·749d. per ton per mile,	State Railways.		
English (average)	1·125d.	do.	Private	do.
American do.	0·4422d.	do.	do.	do.

Railway rates on machinery on American, Portuguese, Cape, Orange Free State and Natal railways.

Machinery, American ...	0.5126d. per ton per mile,		1·000	per cent.
do. Cape	2·34d.	do.	4·565	do.
do. Orange Free State ...	2.34d.	do.	4·565	do.
do. Natal	3·04d.	do.	5·931	do.
do. Portuguese ...	4·07d.	do.	7.940	do.
do. Netherlands-Cape ...	7·69d.	do.	15·000	do.
do. do. Natal ...	5·06d.	do.	9·871	do.
do. do. Delagoa	4·27d.	do.	8·330	do.
Actual cost coal, Rand Tram ...	3·58d.	do.	6·982	do.

Standard railway rate for coal in Eastern States of United States of America.

The standard rate for conveyance of coal from Pennsylvania to New York over mountainous roads in specially built trucks for coal, which cannot be used on the return journey, is 0.3305d. per ton per mile.

Railway rate on coal from Springs to Geldenhuis Deep and Jumpers Deep.

The actual cost of coal from Springs Station to the Geldenhuis and Jumpers Deeps, in bulk, is 3·58 per ton per mile, or 10.83 times the rate in Eastern United States of America.

TRANSPORT AND HANDLING OF COAL.

Price of coal at the pit's mouth. Average distance which coal is transported.

The average selling price of coal at the pit's mouth in the Brakpan district is, roughly speaking, 8s. per ton, and the average distance hauled by rail, to the various mines, about 30 miles.

Average consumption by mines of coal transported by rail.

The average tons consumed by the mines, which was transported by rail for the last five months, was 83,080 tons per month.

Average monthly value of coal delivered at mines.

I estimate the average value per ton delivered at the gold mines as 18s. per ton, say £74,772 per month.

Economy resulting from reduction of railway rate on coal to 1¾d. per ton per mile.

Were the rate by rail reduced to 1¾d. per ton per mile, which is still 5·295 times the rate in Eastern United States, an economy in transport of 83,080 tons x 30 x 1¾d., equals £18,173 1s. 6d. per month, would result.

Cost of bagging.

Bagging costs on an average 2s. per ton of coal, or, allowing 90% of all coal delivered to the mines in bags, bagging costs £7,477 4s. per month.

Cost of off-loading at Jumpers Deep.

Off-loading at the Jumpers Deep, Limited, at which mine accurate costs have been kept, is as under :—

Average monthly tons consumed	960			
Average cost off-loading (white labour)	£15	0	0	
do. do. (black labour)	82	10	0	
Total cost per month off-loading coal ...	£97	10	0	

Average cost for off-loading coal per ton 2s. 0·375d.

Monthly economy obtainable in off-loading by means of automatic wagons.

Were side-tipping railway wagons adopted, as used in America, and which would suit existing sidings and bunkers, the saving in off-loading coal would be 2s. per ton, or £8,308 per month.

Possible total saving to the mining industry by reduction of expenses regarding coal.

Summed up, the total saving per month to the industry is as under, viz:—

Railway transport	£18,173	1	6
Bagging	7,477	4	0
Off-loading	8,308	0	0
	£33,958	5	6

or £407,500 per annum.

MACHINERY SHIPMENTS TO JOHANNESBURG—ACTUAL COST.

Cost per Ton of 2,000 lbs.	An average lot of Mining Machinery. £	s.	d.	Percentage of Total Cost.	Cast Iron Mortar Bases, Cored & Planed, Columns, Girders, &c. £	s.	d.	Percentage of Total Cost.
F.O.B. London or Steamer... ...	31	5	0	75.64	4	1	10	29·75
Ocean freight (intermediate class) to Port Elizabeth	2	0	2	4·86	2	0	2	14·60
Landing	0	4	3	0·51	0	4	3	1·55
Wharfage 3/8% on home cost ...	0	2	4	0·28	0	0	3	0·09
Clearing and forwarding	0	3	9	0·45	0	3	9	1·36
Railage to Viljoen's Drift (3rd class)...	5	10	0	13·32	5	10	0	39·98
Viljoen's Drift transport to Johannesburg, including cartage ...	1	13	4	4·04	1	13	4	12·12
Transvaal duty, equals 1½% on home cost, plus 20%	0	7	6	0·90	0	1	6	0·55
Cost Delivery at Johannesburg ...	£41	6	4	100·00	£13	15	1	100·00
Difference between home cost and cost delivered Johannesburg ...	10	1	4		9	13	3	
If Carriage was 1·13d. per ton per mile, as was charged in India in 1886 on grain, sugar, cotton, and cotton goods, the railage would have been	3	7	3		3	7	3	
Leaving cost at Johannesburg ...	37	10	3		9	19	0	
Or difference between home cost and cost here per ton	6	5	3		5	17	2	
Saving per ton over present cost ...	£3	16	1	9·27%	£3	16	1	27·66%

Percentages of construction costs of a deep level mine.

Out of a total expenditure of £93,788 9s. 10d. for construction work at a Deep Level Mine, the proportionate amounts are:—

				Percentage.
Material	£61,587	19	3	65·67
Labour	27,799	16	1	29·64
General expenses	4,400	14	6	4·69
	£93,788	9	10	100·00

The percentage of total cost paid for labour, viz :—29·64, is a close approximation to the average cost of labour at a large machinery manufactory works in England, equipped with the most modern labour-saving appliances, at which factory the total labour was 31·7 per cent. of the total cost of the manufactured goods.

PROPORTION OF EXPENDITURE IN DEEP LEVEL COMPANIES.

JUMPERS DEEP, LIMITED.

From Commencement to December 31st, 1896.

		Percentage.
Construction cost	£101,047 2 3	47·52
Development cost	111,606 15 7	52·48

Total cost (including all expenses except payment for claims) £212,653 17s. 10d.

Percentages of costs of Jumpers Deep from its commencement to 31st December 1896.

During that time the total wages paid was:—

Whites, 43,032 shifts at 19s. 6·62d.	£41,710 9 2	19·62%
Natives, 112,385 shifts at 2s. 6·17d.	14,128 1 0	6·64
Total wages	£55,838 10 2	26·26 of total Expenditure.

[No cost of native food included in native wages].

The development of a Deep Level Mine requires a heavy outlay for timber, dynamite, and coal, and during the development and construction stages, the average rate per man per shift is higher than would obtain in the same mine when stamping, as was stated by Mr. Sidney Jennings, whose figures are, for all white men, 18s. 6·4d. per man per shift.

Cost of development of a deep level mine.

In the mines of Montana, the standard rate of pay is $3·50 per day for all underground men; equals 14s. 4·3d.

Wages in the mines of Montana, U.S.A.

In the Comstock mines of Nevada, it is $4·00 per day; equals 17s. 3d.

Wages in the Comstock mines, Nevada.

In the British Columbia mines, the standard rate of wages is $5·00 per day; equals 20s. 6¼d. per shift.

Wages in the mines of British Columbia.

Tabulated, the rate per shift is :

	s.	d.	
Crown Reef	18	6·4	average.
Jumpers Deep	19	4·62	„
Montana	14	4·3	standard.
Nevada	17	3	„
British Columbia	20	6¼	„

Table of wages on the Crown Reef and Jumpers Deep mines, and in Montana, Nevada and British Columbia.

All above are new goldfields with which we are in competition. From considerable experience in finding men for various responsible positions at mines for the Cape, Australia, the Straits, and South America, I think, generally, the salaries paid on the Rand are somewhat lower than are paid in the other districts mentioned above.

Lowness of salaries on the Rand.

In my own department of mechanical engineering the rate of wages paid at present to the four principal draughtsmen is £27 10s. per month, while that paid to the first four similar men at Messrs. Fraser and Chalmers' Engineering Works, near London, was £21 2s. 6d. per month, for similar work, so that the same man in Johannesburg

Wages of four principal draughtsmen at Johannesburg and in England.

receives 29·44 per cent. more wages than at London, while the cost of living greater here than there, per month, as follows:

Comparative cost of living in Johannesburg, Erith, England, and Scranton, N. America.

	£	s.	d.
Erith, England—Cost of bedroom, sitting room, fires, washing, beer, gas, etc.	8	12	0
Scranton, North America—Bed and sitting room, with bath and lavatory, fires, gas, washing, etc.	5	19	0
Johannesburg—Bedroom, fire, candles, and washing ...	11	0	0

The above rates are given as the actual costs of living for a draughtsman All other items, such as clothes, cab fares, railway tickets, and pleasures, whic make up the sum total of living expenses, are about double in Johannesburg similar things cost in England or America.

Reduction of clerks' wages not advisable.

I consider the rate of pay for this class of men cannot be reduced wi great sacrifice in the quality of talent.

Relative cost of machinery f.o.b. in England, on the Continent, or in America and on Witwatersrand mines.

RELATIVE COST OF MACHINERY F.O.B. ENGLAND, CONTINEN AMERICA, AND ERECTED ON THE MINES:

	Home Cost. £	Percentage.	Cost Erected. £	s.	
Single drum hoisting engine ...	1,550	48	3,218	11	
Double drum hoisting engine ...	1,612	42¼	3,802	14	
Double drum hoisting engine ...	2,160	47¼	4,582	1	
Cornish pumping plant ...	1,528	33	4,625	17	
35-drill compressor, complete ...	4,000	54¾	7,312	0	1
8 boilers, 125 h.p. each ...	2,736	31¼	8,738	9	
8½ft. x 135ft. chimney, complete	342	19	1,799	17	
	£13,928	40¾%	£34,079	11	

Generally speaking, the principal machinery at any mine will be foun erected, two-and-a-half times its home cost.

STAMPS ERECTED.

Total number of stamps erected and running on Witwatersrand gold fields in 1896.

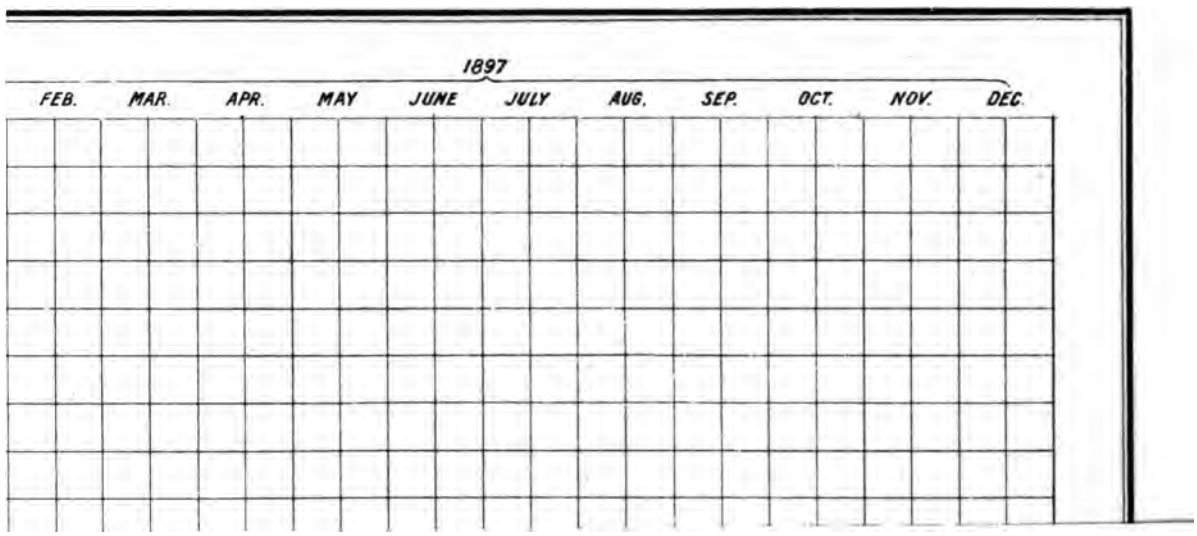
From the Chamber of Mines reports, the total number of stamps erected fields to the end of 1896 is 5135, of which 3,740, or 72·8 per cent., have been some portion of the time in the past year.

Estimated total cost of equipment and development of Witwatersrand gold fields.

If we estimate the amount of money that has been spent in equipp developing for 5,135 stamps, the same as above noted for a 100-stamp mill, *i.e* per stamp, we have about 22 millions sterling spent to equip and develop the mines on these fields, aside from the money spent for claims. I believe not l £5,000 per stamp has actually been spent.

Construction costs of mines of Witwatersrand gold fields and excess cost through high railway rates.

Of this 22 millions sterling about 55 per cent. (or say, twelve millions will have been spent on construction, of which amount I should say one sterling might have been saved if the railway rates had been such as would h returned a good rate of interest to its shareholders.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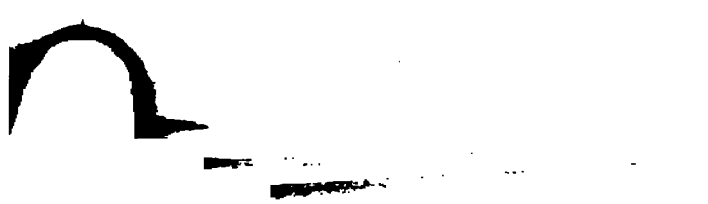

TABLE OF DISTRIBUTION OF LABOUR AT THE DIFFERENT DEEP LEVEL MINES.

Name of Company.	Construction. Whites.	Construction. Blacks.	Development. Whites.	Development. Blacks.	Total at Present. Whites.	Total at Present. Blacks.	Estimated No. when Stamping. Whites.	Estimated No. when Stamping. Blacks.
Glen Deep, 100 stamps	40	53	75	247	115	300		
Langlaagte Deep, 200 stamps ...	16	23	152	679	168	702	300	2,000
Crown Deep, 200 stamps ...	39	60	168	890	207	950	400	2,500 to 3,000
Nourse Deep, 100 stamps ...	37	137	111	560	148	697	140	1,200
Jumpers Deep, 200 stamps ...	42	160	138	740	180	900	150	2,000
Rose Deep, 200 stamps	75	310	145	565	220	875	260	1,500
Average ...	41·5	123·83	131·5	613·5	173	737·3	250	1,840

	Actual No. before Milling.	Estimated No. after Milling.	Average No. per Stamp.
Average number whites employed for 100-stamp plant	132	140	1·4
" " " 200-stamp "	194	280	1·4
" natives " 100-stamp "	498	1,200	12·0
" " " 200-stamp "	857	2,060	10·3
Whites employed at Robinson mine (120 stamps)		280	2·33
Natives " " " "		2,369	19·74
Whites employed at Geldenhuis Deep (155 stamps)		272	1·75
Natives " " " "		1,316	8·49
Whites employed at Crown Reef (120 stamps)		246	2·05
Natives " " " "		1,749	14·60

Average number of white men when stamping, per stamp erected 1·79
" " natives " " " 13·03

Mr. Barrow's evidence.

Mr. ROBERT BARROW was the next witness called. He made the follo statement:—

I am a miner from the North Lancashire District of England, and have working underground for 26 years. At present I am mine foreman at the Jun Deep, Limited, and have been in South Africa since the latter end of 1887. arrival I worked for six months in Kimberley in the De Beers Mines; since th have worked in the Transvaal. I have a wife and four children. When I can South Africa I left my wife and family living in Dalton-in-Furness, Lancas where they remained five years, when they came out here, and have been living with me about four years. I have read the evidence submitted to this Commis and, generally, agree with it, especially with the evidence given by Mr. Fitzpat I therefore intend to confine my statement to a simple analysis, and a comparisc cost of living in England with my family and the cost of living here, and difficulties of coming out to this country.

The cost of living and the wage earned by a miner in Lancashire, England, be dealt with in order that a comparison of facts and figures leading up to the under notice, viz., cost of living in the Transvaal, may be arrived at.

Wages of miners in England.

A miner receives 5s. per day of eight hours, the month being composed o working days. This totals up to £5 10s. per month.

The 22 working days are as follows, viz.:—

	Days.
First week—Monday, 6 a.m. till 2 p.m., and so on till Saturday, 12 p.m.	6
Second week—Monday, 2 p.m. till 10 p.m., and so on till Friday night, 10 p.m.	5

(Saturday being a half-holiday, he does not go down to work at 2 p.m., ther no work is done from Friday night at 10 p.m. till Monday at 6 a.m.)

	Days.
Third week—Monday, 6 a.m. till 2 p.m., and so on till Saturday, 12 p.m.	6
Fourth week—Monday, 2 p.m. till 10 p.m., and so on till Friday night, 10 p.m.	5
	22

The balance of a month of 30 days being made up as follows:—

Sundays, non-working days, 4; two Saturdays, non-working, 2; Saturday, 12 p.m.—Monday, 2 p.m., no work, 2 ...	8
Total days	30

House rent of miners in England.

An ordinary miner's cottage of six rooms costs 3s. 6d. per week, or 16s. month, in England, leaving a balance of £4 14s. per month for food, clothing, &c.

In the Transvaal the same cottage would cost £8 per month, *i.e.*, £7 4s. more

Cost of food to miners in England.

The food consists principally of porridge, bread, butter, meat, vegetables, coffee, milk, and eggs.

The following is a table of the approximate cost of these articles in England:—

TABLE I.

Butter, 10d. to 1s. per lb.
Flour, 1s. 8d. per st. (14 lbs.)
Bacon, 4d. per lb.
Tea, 1s, per lb.
Coffee, 1s. per lb.
Eggs, 9d. per doz.
Milk, 1d. per pint.
Potatoes, 3d. per 14 lbs. (stone).
Meat, 8d. per lb.
Oatmeal, about 1½d. per lb.

Clothing.—This in England is, at the very least, 43 per cent. cheaper than in the Transvaal. For example, a suit of clothes costing 20s. in England would, for the same quality and material, cost 35s. in the Transvaal.

A pair of ready-made miner's boots, costing 8s. 6d. in England, would, for the same quality, cost 17s. 6d. here.

A detailed estimate of the cost of living per week, for a miner's family of five, in England is given:— Estimate of weekly cost of living of miner's family in England.

TABLE II.

	£	s.	d.	
Milk, 1 pint per day at 1d. per pint	0	0	7	per week.
Butter, 2 lbs. per week at 10d. per lb.	0	1	8	"
Meat, 9 lbs. per week (three times per week) at 8d.	0	6	0	"
Vegetables, per week	0	2	6	"
Bread (a 4 lb. loaf and a half per day), at 6d. per loaf... ...	0	5	3	"
Groceries (tea, sugar, soap, coal, etc.)	0	5	6	"
	£1	1	6	
			4	
Per month	£4	6	0	
Rent per month	0	16	0	
Doctor's fees for whole family	0	1	0	
Schooling (free)...	0	0	0	
	£5	3	0	
Leaving balance for clothing of	0	7	0	
	£5	10	0	

Further, a miner generally belongs to one of the numerous benefit societies in England, by which for the payment of 2s. per month he is entitled to receive 12s. per week in case of sickness. In case of his death his wife receives from the society £14 down, and in case of his wife's death the husband receives £7 down. Numerous privileges are also enjoyed by a miner, for which he pays nothing, such as free reading rooms and free recreation grounds. The above expenditure per month enables a miner and his family to live in greater comfort and enjoyment than it is possible to do here at £1 per day. Leaving the cost of living in England for the moment, the expenses connected with a voyage to the Cape will now be noted. A third-class passage to the English benefit societies. Voyage expenses of miners.

Cape from any part of England costs sixteen guineas. Add to this railway fare, th class, from the Cape to Johannesburg (which is £4 8s. 9d.), the expenditure for voyage amounts to £21 4s. 9d. This does not include cost of food during the th days occupied in the journey by train, which would bring the amount up to : Further, the majority of miners arriving here have to allow for about a montl being out of employment, necessitating a further expenditure of £8 (or more) living during this time. Taking into consideration all these items, amounting £30, and referring to Table II., by whcih it will be seen that he has only 7s. per m left over from the actual cost of living for himself and family, for clothing, etc., i not difficult to judge of the length of time it would be necessary for him to sav sufficient money to bring him out to Johannesburg, and what sacrifices he and family would have to undergo in order to enable him to do so. As a matter of fa is impossible for him to collect enough out of his earnings for this purpose, and he to borrow the amount from his unmarried friends. Bearing the above in mind, : only natural to suppose that he undergoes these sacrifices in the hopes of obtai sufficient pay, once arrived here, and at work, to make up for these.

Average daily wage of white miner on the Rand.

AVERAGE RATE OF WAGES FOR MINERS ON THE RAND.

75 per cent. rock-drill men at 20s. per day.

25 per cent. bossing boys in stopes at 12s. to 15s. per day, giving an ave of £23 16s. 8d. per month of 26 days.

Monthly cost of living of miner's family on the Rand.

With this amount per month a married man with a family, say of five altoge has to pay the following. The undernoted different amounts are the actual aver for mine families.

TABLE III.

	£	s.	d.	
Rent	6	10	0	per month.
Butcher's account	2	10	0	„
Baker's account	2	0	0	„
Milk (1 bottle per day)	0	15	0	„
Groceries	8	0	0	„
Fuel	1	1	0	„
Total	£20	6	0	„

This amount is merely for absolute necessaries to sustain life and to give a sh for the head, placed at the lowest estimate. It will be noticed that the amount not take into account the following absolute necessaries also:—

TABLE IV.

	£	s.	d.		
Clothing	4	0	0	per month.	
Schooling	1	10	0	„	(not including books).
Doctor's fees	0	7	6	„	
Kitchen boy	3	0	0	„	
Railway fares	1	2	6	„	(for children to school).
	£10	0	0		

Making the total £30 6s. per month for mere natural and compulsory w leaving out all consideration of such small items as reading matter, school b

creation, and small comforts indispensable for comfort and enjoyment. It will be en that in Table III.; groceries exceed in cost all other items, taking them one by one, d it would be as well to give here a table showing how this amount is made up.

TABLE V.

	£	s.	d.	
Butter, 2 lbs. per week, at 2s. 6d. per lb.	1	0	0	per month.
Tea, 2 lbs. per week, at 2s. 6d. per lb.	1	0	0	„
Sugar, 10 bs. per week, at 4d. per lb.	0	13	4	„
Coffee, 2 lbs. per week, at 3s. per lb.	1	4	0	„
Flour, 6 lb. per week, at 4d. per lb.	0	8	0	„
Jams, three tins per week, at 9d. per tin	0	9	0	„
Condensed milk, three tins per week, at 8d. per tin	0	8	0	„
Cheese, 4 lbs. per month at 1s. 6d.	0	6	0	„
Rice, 4 lbs. per week, about 3d. per lb.	0	4	0	„
Soap	0	6	0	„
Lights	0	10	0	„
Small sundries (too numerous to mention) ...	1	11	8	„
	£8	0	0	

Monthly expenses of miner's family on the Rand in groceries.

In order to show more clearly the difference of cost of living in England and in hannesburg, I will bring forward table No. 1 of cost of living of a miner and his mily in England, and put beside it the cost of living in Johannesburg for exactly the me articles :—

TABLE VI.

	England.			Transvaal.		
	£	s.	d.	£	s.	d.
Milk	0	2	4	0	15	0
Butter	0	6	8	1	0	0
Meat	1	4	0	2	10	0
Vegetables	0	10	0		—	
Bread	1	1	0	2	0	0
Groceries	1	2	0	8	0	0
Rent	0	16	0	6	0	0
Doctor's fees	0	1	0	0	7	6
	£5	3	0	£20	12	6

Comparative cost of living of miner's family in England and the Transvaal.

A difference in favour of England of no less than £15 9s. 6d. On looking through able No. II. in this statement, it will be seen that a balance of only 7s. per month is ft for clothing, and it will be asked: "How can a miner clothe himself and family n 7s. per month?" The answer to this is that he cannot, but it must be remembered hat at home there are wealthy men in every district who help by their charity, to say othing of different "Dorcas Societies," who make clothing and distribute it among he poorer classes; and there are philanthropists who found free institutions for the enefit of workmen. In fact there are many things which help miners to tide over any isfortune through sickness or otherwise. There is none of this in the Transvaal, and very man has to help himself or sink.

English aid societies.

Mr. *Smit.*

Have the mines never imported workmen and paid their expenses out?—Not that am aware of.

Importation of miners

Mr. *Brochon.*

White wages.

In this statement we see that you have white men working at 12s. and 15s. shift. Is that so?—Yes, we have got them at the Jumpers Deep. We have g many at 12s. as at 15s.

Mr. *Albu.*

Do you consider them good men?—They are men new out from home, and t have not had much experience and they are glad to work for almost anything.

They are not miners, but men who come out here and say they have lea nothing?—Yes.

But these men would not get a shift at £5 10s. per month at home?—There probability that they might. We are not supposed to know what a man is unti try him.

Miners' wages in England.

What is the average pay in England for competent miners such as those you w engage as stoping men. What is the pay in coal mines or tin mines at home worked in the iron ore mines, and the average pay was what my opening staten says—5s. per day. That was ten years ago.

Married miners' quarters.

I will admit that £20 won't go a very long way in the case of a married n especially if he has to pay house rent; but is it not a fact that most married men provided with a cottage on the mine?—No, there are not 10 per cent. who have cottages on the mine.

Board of single miners.

A single man on a mine pays about £5 or £5 10s. per month on the mine board?—At the present day he pays £6.

I think £6 is an excessive amount.—I am speaking of the boarding-house at mine.

I know of a boarding-house at a Pretoria factory and the charge is £3 10s. month, and the men seem very well satisfied. A workman here who pays £6 per m gets his room, light, and his coal. Now, the average earning of the competent m is between £20 and £22 per month. If he pays £6 per month out of that he has over. Don't you think he could save a good deal out of that?—Yes, I think single miner ought to save a little out of that, but he has got a much better chance t a married man.

Wages of single miners.

In your statement I find that at home, a married man with a family of five, 9-lbs. of meat per week at 8d. per lb., that is 6s. In the table relating to this cou the butcher's account is put down at £2 10s. Now meat does not cost as much he at home?—No, but it is much inferior, it has not the same substance and it take much more to serve you.

Married miners' quarters.

Do you think a married miner's lot would be considerably improved if the r companies were to erect cottages and charge a small rental for them, and that it w save the miner a lot?—If the companies could erect cottages and let them about £ think it would. Of course my figures refer to a miner who has to take a house i place like Jeppestown.

All over the world if a man starts as a clerk or miner and is married, it is awkw to make both ends meet, is it not?—I am only speaking of England.

Do you think a man with three children is justified in taking a cottage at £8 month?—Not at all. I am speaking of a man and wife with five children.

But you give us an exceptionally bad case. It must be very hard on a wo and five children if the husband has got no further in life than a miner?—Yes, you know we all make these mistakes.

The married miner with five children is badly off. What would you suggest to medy the evil. I want to be fair to the married as well as to the unmarried miner? I beg your pardon, I did not quite catch what you said.

I am giving the married and the unmarried an equal chance. You admit that £20 £22 is a good wage for an unmarried man. I admit that for a married man it is othing more than sufficient. What would you suggest to me to do. Can I give the arried man a higher wage than the unmarried because the former has got a wife and ve children, and is not a better labourer than the unmarried. How can you suggest o get out of this difficulty, if his labour is not worth to me more than the unmarried? —The only thing I can suggest is to bring down the cost of provisions and house rent.

That is what we are all trying for, to get the Government to bring down the cost of living. The consequence would be that I would say to the unmarried man, "I can only pay you £15 per month." I would like to see the man with five children get on as well as the other.—It is very hard to suggest anything, because one man is as good as the other.

Well, what is the use of complaining if you cannot bring forward a remedy?—The remedy would be to bring down the cost of provisions and house rent.

Then the standard of wages will come down. It is a question which is troubling the whole world. I don't call an unmarried miner getting £16 or £18 a poor man. It is for the poor man I am speaking. I have been waiting for the answer for the last 10 years.—I am afraid you will have to wait for another 10.

I can see that the married man cannot save anything out of £22. I admit that. Evidence is being taken for the purpose of trying to remedy the evil. But you have come forward with evidence showing the evil, but cannot suggest a remedy.—Well, I know it is an evil.

Yes, I know. We know the price of dynamite is an evil, and the high freights are an evil, and the gentlemen who have given evidence have suggested remedies?—Well, that is the only one that I can suggest.

All I can say is that the man with five children, who has not been able to hold a better position than the ordinary miner, is better to leave his wife and children at home. If wherever he goes, to America or Australia, he is only able to earn the lowest standard wage, he cannot support them properly anywhere. I say it is a social question, and you deserve the gratitude of mankind if you are able to solve this question.

Mr. *Hay.*

In this Table IV., where you calculate out the cost of living in the Transvaal, you have set down £3 a month for kitchen boy. In calculating the corresponding table for England you don't put down anything for assistance in the shape of labour?—No, I have made a slight mistake in that. **Married miners' expenses.**

Of course it is quite apparent that in England it is a struggle for existence according to the statement made, and the chances are that if a man, with a wife and five children, would have to depend at times on charity for clothing, these people would never need to have any assistance in the house work?—No, that is quite right.

And in the corresponding position in this country they would not need to have assistance. The woman would have to do the housework?—Yes.

Mr. *Schmitz-Dumont.*

In this statement you reckon the family of five to be the man and wife and three children?—No. A wife and four children. That makes six with the husband.

In England have the married miners any advantage over the unmarried miners? —Not at all. **Married and single miners.**

I know in some districts unmarried miners have only a sleeping room, or th sleep in barracks.—On some mines the companies build houses, so they live che than in the town.

So they have a great advantage over the unmarried men. Then the married m has certain other advantages—he has got coal and light—but the unmarried ones g nothing. I know some in England and Germany where the companies try to give t married miners some advantage over the others. In that way something can be do to assist the married miners here?—Yes.

Mr. Brochon's statement.

MR. EDWARD BROCHON was then sworn, and made the following declaration:—

I have begged for the privilege to be heard by you. My object is certainly n to worry you with figures and statistics which several eminent members of the mini industry have already placed before you; I believe that now you have on the different points of fact all desirable information. On the contrary, I have thought might be interesting for you to possess certain indications of a more general order, hear some explanations on the conditions of the gold mining industry of the Ra compared with those of the same industry in other mines; also keeping in mind th I represent here great French financiers, I have also thought that you would interested in knowing what advice these friends of the Transvaal could give you, h they the privilege of speaking to you on certain points on which they are especial competent. I shall be as brief as possible. The Transvaal gold mines are of a peculi nature. No mine in the world possesses in the same extent an industrial charact In all the gold mines of the world the production is subject to alternatives weakness and importance very often considerable, and the average, even when bas upon the returns of several years, is often upset by the most unforeseen results. It that feeling of the unknown, the hope of a rich pocket, which in a few hours' wo will return more than a whole year of labour may have given, which often caus the shareholders to be patient by keeping up their courage, and causes them to acce very heavy sacrifices. In the mines of the Rand there is nothing like this; fro the moment a mine is developed its average richness is known—it is a 12 dwts., dwts., 7 dwts. mine—and there is no chance for that value to be altered in an marked way; if you take the statistics of the mines from the beginning of the existence up to this date, you will be surprised with the regularity of the yield p ton; the working of a poor reef, such as the Main Reef in the central mines, ma cause this average to appear smaller; a more careful sorting of the ore may cause to increase, but on the whole the ore has not appreciably changed in value. It is th regularity which has made the fortune of the Transvaal, for, if at times capitalists a found who accept to risk their money with a chance of a problematical profit, some a always found who are disposed to open their purse when the business is a matter certainty. This regularity, I have said, has made the greatness of the Transvaal; has attracted to this country in a few years a heap of money which no other busine had ever obtained on the European financial markets. But it is also this regularit which, excluding all hope of a sudden stroke of fortune, compels us to strict account and does not allow us to work our mines if the budget established in advance for th working of them does not leave a margin for profit. It is this regularity whic enables the mining industry to come and say to you: Help us to save 2s. per ton, a 50 mines now idle will then work; help us to reduce our expenses and new min will soon be started. I could mention to you the history of a silver mine in m country. The company working it was almost ruined, at least the capital w exhausted, when one day, by one blast, a lump of precious metal, nearly half a ton

Views of large French financiers.

Comparison of Witwatersrand and other gold mines.

Regularity of yield of Witwatersrand mines.

Reduction of working costs necessary.

weight, was discovered. That lump was worth, I believe, £3,000. This gave a new courage to the shareholders; they reconstituted a new working capital which, in fact, was just as rapidly exhausted. Here, a similar instance is not possible—a mine produces 24s. worth of gold to the ton, there is no hope for a change, and if the directors cannot establish the working cost below that figure they are compelled to close the mine down. There is no getting out of it. You will forgive, gentlemen, the frankness with which I speak to you; I trust you will also forgive the details with which I am worrying you. I do it because I believe that you wish to see things as they are, and because I think that, when a question is being argued, it is necessary to put it clearly and avoid misunderstandings. Then, gentlemen, circumstances are such that a number of mines on the Rand can only work at a higher cost than their returns, or, in some cases, with an infinitesimal profit; the consequence is either the working cost must be lessened or these mines must close down. If they close, the sources of revenue of the State would be lessened—its finances jeopardised. I have no need to insist on this to let you see, as well as I see it myself, the fearful consequences which will be bound to follow. Allow me, in passing, to say that the time no longer exists when burghers of the South African Republic can say: "Let the mines perish, and let us go back to our former poverty." The South African Republic has taken some engagements towards capitalists, who have opened their credit to the needs of its treasury, to its railway companies. Numbers of officials have linked their lives to the prosperity of the State. The Transvaal has contracted heavy engagements; it must fulfil them; the honour, even the religion of its burghers, make it a sacred duty. It must not be said that the mines, into which the Creator has put gold in sufficient quantity, are put in jeopardy through the fault of men. In order to render working possible the cost must be reduced. This object can only be attained by two means: 1st, reduction of taxes; 2nd, economy in the work. Several gentlemen who have preceded me on this seat have told you of the reduction of taxes which the mining industry expects from your justice and your clear-sightedness. I am willing to admit that to use the expression "taxation" with regard to the 56s. which the industry pays on dynamite, over and above the cost price may seem cruel if we think that the Government only receives 5s. out of these 56s.; but still, as it remains with the Government to do away with these 56s. in the interests of the country, the Government has the right to reduce this charge to whatever proportion it chooses, the expression "taxation" is sufficiently justified. Be it as it may, the Government has in hand the possibility to reduce the working cost of the mines by 2s. per ton; that is the excess of expenses represented to-day by the exaggerated price of dynamite, and transport of coal, and other merchandise and material necessary for our work. Now, gentlemen, you have been told that 2s. means life for many mines. It is only 8 per cent. on the working expenses, but, as in many instances the working costs of a year reach and even exceed the nominal capital of a company, it may be 8 per cent. on that very capital; in cases where there was nothing to give to the shareholders, it means a dividend of 8 per cent., justifying the par quotation of their shares. Where there was a small loss, it means salvation instead of bankruptcy. Probably you will argue that the reduction in the cost of dynamite would not constitute a loss to the State finances, but that such is not the case when we deal with the railways, of which the State is a large shareholder, receiving 85 per cent. of the profits. Your objection, gentlemen, would not be right, and, as I have just explained to you, unless a prompt remedy is applied to the situation of the mines it means jeopardy for these, and, as a consequence, for the finances of the State. On the contrary, if you give life back to many enterprises which to-day are stopped or dragging towards bankruptcy, you will see very soon an increase in all the branches

Necessity for working Transvaal gold mines

Means of reducing working costs.

Results of reduction of working costs by Government.

Advantage of reduction of working costs by Government.

of revenue of the State; not only these enterprises, so sickly to-day, will be able pay their share of public expenditure, but new ones will be created and therefo contribute to it. The State would therefore find on the whole of the revenue increase far superior to the amount of which it may be short in its receipts fr railways, but I may even tell you that this loss on the railways will prompt disappear; reduce the tariffs and you will see an increase in the transport. Ca timber, general goods, which to-day cannot reach the Rand, prevented as they are the exaggerated expenses, will come to it, creating a wholesome competition, and th contributing to better the conditions of existence of the mines; and the railw receipts will benefit by this transport which to-day being impossible, does not exi Examples of similar facts which have taken place in Europe prove the absolu correctness of this law of political economy. Reduce the tariffs of a public service such as transport, by rail or water, postal or telegraphic service—very soon you g an increase in the quantity carried sufficient to compensate the reduction in charg and even to make the receipts larger than they were under the old tariff. I do n hesitate in stating that should the Government grant us the reduction asked f concerning transport, an immediate effect would be felt in the different sources revenue, and before six months elapse the same receipts of the railways will equ those before the reduction of tariffs. I have stated that the second way to lower th cost of production in the mines was the economies which these must introduce in the work. At first sight it would seem that the State has nothing to do with th question, and that the mines alone should see to the reduction of their expenses. fact, this is not correct; and if it is true to say that the managing boards of th different mines should act with energy by themselves, it is not less true that the efforts would be useless unless a moral and material action on the part of th Government comes to help and support them. The first moral action on the part the Government must be to reduce the excessive price of things over which it has control. What right would the Government have to advise moderation and econom if it allows the Dynamite Company to take a profit of over 50s. per case without an way justifying such exaggeration; and if it allows the Netherlands Railway Compan to apply tariffs, so high that, up to the time when rinderpest made transport by o wagon impossible, it was to that last means of transport that merchants in Johanne burg had recourse, as being more advantageous to bring their goods from Vereenigin Let the Government give the example by suppressing these two abuses, then we sha see, under pressure of public opinion in the whole world, the managements of th different mines find their way to economise. Prodigality is one of the mo contagious diseases in the world. If you find yourself amidst prodigal people yo will soon lose the notion of the value of money; the pound sterling, which ordinary life you think twice before spending, will slip between your fingers witho your noticing it. With regard to this, gold mining districts have always been th seat of ideas and training ever to be regretted, and the Transvaal, like oth auriferous districts has not escaped that disease. Let the Government be the first react against this tendency, let it set the example wherever it is possible to do s and little by little we shall attain the object in view. I have just explained that th Government should give the example by the suppression of two abuses; its wor should not be limited to that, and I believe that a great deal can be done by th introduction of regulations in many of the branches of the administration, chiefly tha of the railways. It is with great reason that you have been told here that the fir condition to reduce the salaries of white employees is to render their condition existence more economical. Well, gentlemen, it is not only the reduction of tarif which should bring about cheapness of provisions on the Rand; it is also th

Government aid in reduction of working costs indispensable.

Excessive cost of dynamite.

Excessive railway rates.

Suppression of abuses.

Reforms required in railway administration

isation of a rapid and regular transport of these provisions. For instance, in resent state of things would it ever come to a farmer's mind to send milk from alburg or Standerton to Johannesburg? Certainly not, for he knows that the would only reach its destination after several days, and consequently be spoilt, still there is but one night's journey between these two points and the great nnesburg market. But it is known that the railway company, six times out of would take several days to bring this produce to its destination. Do you know, lemen, that if the railways of Europe showed the same diligence to carry hable provisions, large agglomerations of people, such as are in London and Paris, populations are respectively five millions and three millions, would die of ation; a bottle of milk, which is sold there for 3d., would reach a fabulous price. ad of this, each night special and rapid trains run from all parts of the country rds the capital. The milk obtained at night arrives there at daylight; the same takes place for vegetables, fruit, eggs, and all perishable provisions. Farmers ich through it, and inhabitants of cities find therein the security of a wholesome cheap alimentation. Why does not a similar system exist here? Why does the igence, the incapacity of the Netherlands Company, deprive your farmers of this e of revenue and remuneration for their labour? Why should we be forced by pay here fancy prices for provisions only when the sluggishness of the service aused them to lose all their freshness? Is not this a state of things all the more itous, all the more deplorable, that it is the result of the dilatory ways of a tive administration destroying the resources of producers, whose present ortunes, however, should deserve the greatest consideration? But, gentlemen, not only in the administration of the Netherlands Railways that regulations and should be introduced. You have been told here about the budget of the State. mous figures have been put before you, and certainly if we take into con- ation the actual state of the different sources of revenue, that is to say, mining industry, it must be acknowledged that the amount is exagger- Permit a friend to tell you that here an error exists on the part of the ernment of the Republic. In my opinion the error is not to have spent 000,000 in public works; no, that is a useful expenditure of which the whole ntry—industry in the first line—feels the benefit. The error is to have charged special budget with this enormous amount. Why does not the Government take vantage of its credit to borrow money, which could easily be found at 3½ per cent.; another 2 per cent. be added to it as a sinking fund for a comparatively short iod, and instead of crushing us with £900,000 of expenditure in one year, about 0,000 per annum would be all that would be required from us. This system applied the £9,000,000, which at the present day the railways would cost, would constitute lighter charge than is at the present moment the service of its debentures, and in a iod comparatively short in the life of a nation, the railways themselves would come the entire and free property of the State. This powerful instrument of rtune and civilisation would require no other expense beyond that concerning mediately its maintenance and traffic expenses; I shall draw your attention to the t that the necessary period is in itself very inferior to that of the life of deep level lines—that is to say, the great mines of the future. I certainly do not pretend, tlemen, to supply you in a few lines with a financial plan, my object has been to your attention to the ways opened to your Government. At the beginning of note I expressed my intention to inform you of the ideas of great financiers of y country; I have now placed them before you. As you may see, they are dictated y an absolute confidence in the stability of your institutions, in the future of your untry; therefore, they deserve your consideration. There is no doubt that the

The food supply of great towns.

Public works.

The finance of railway expropriation.

projects which I have just mentioned require a serious study; on this subject me to tell you with a frankness, which may perhaps be considered rather str that your administration, whose financial experience is only a few years old, ha as yet acquired the knowledge of these questions as may have been done by s bodies of large European centres. Your right judgment, the good faith which show in listening to, and weighing the arguments placed before you, cannot co sate this experience, only acquired by long years of labour. I am far from concl that you should relinquish in any proportion the management of the affairs o Republic, but I believe that when you were advised to adjoin to your comm some foreign members, the advice was good. I believe that if your Govern making the duties of the Executive Council lighter by appointing great comm for each of the special branches of public administration, finances, legislation, rail mines, industry, agriculture—committees composed of burghers as voting memb I believe that these committees could, by studying, each one, the speciality devo upon them, prepare and greatly facilitate the task of the Executive Counc believe above all that if every one of these committees adjoined themselves consu members, chosen among foreigners established in this country, you would obtain serious results. In the first place, you would draw to you specialists who would you the benefit of all the science acquired in their respective countries, where questions have been for centuries the subject of deep studies. In the second these foreigners working with you and beside you, would learn to know you, mutual esteem would prevent in future any friction, and perhaps facilitate harmony so desirable among the different inhabitants of this country. In the place, this mark of the greatness of your ideas, of your earnest desire to get at truth, would give the old world the proof of the straightforwardness of your in tions, would reassure it in the future, and lastly would re-establish, to the gre benefit of the Republic, the confidence so necessary to its prosperity, its developm and even security.

Departmental committees.

Advisory boards.

Chairman.

The Chairman said he would not put any questions to Mr. Brochon, as his st ment could be dealt with when the report was being prepared. If any of the o advisory members of the Commission thought it necessary to make a similar st ment, it would not be necessary to give it in evidence but to hand it in.

Mr. *Brakhan.*

Mr. Brakhan' statement.

Mr. Brakhan, at the sitting of the Commission, asked if he would be allowed conformity with a few remarks made at last sitting, to hand in a statement. statement was mostly on general lines, since very full particulars had been alre given. He had made a more especial point of it to show that if certain reducti had been made in the railway rates, still very fair and even very good pro would remain to the Netherlands Company, the Orange Free State, the Cape the Natal Railways. He then handed in the following statement:—

Mr. AMANDUS BRAKHAN, manager, for South Africa, of Ad. Goerz and Co., L of Berlin, London, Paris, and Johannesburg.

Market inflation.

The depression at present prevailing with regard to the mining industry of South African Republic is attributable to some extent to the inflated market co tions which prevailed about eighteen months ago; but there can be no doubt whate about it that the principal cause has to be looked for in the various burdens wh militate against favourable working costs. These burdens have to be divided i

classes—firstly, those which the directors of mining companies have to remedy elves through their managers, and secondly, those for an alleviation of which ommunity can reasonably look to the Government of this State.

There can be no doubt about it that the wages ruling on the mines of the atersrand are high, and that they must come down in course of time, partly ugh an influx of skilled labour, and partly through a reduction in the cost of g, which is very high at present. There are many instances on these fields e reductions have already been effected, without causing any trouble where it been pointed out to the men that it was quite impossible to go on paying the high s which were ruling. I have no doubt that further savings can be made in this tion, but it seems to me that this can only be effected gradually. One might the wages ruling at the present time on the Rand to be about 75 per cent. to per cent. higher than those paid in California, but it must be borne in mind that e the cost of living is much lower than here. I am, however, of opinion that the e of white labour does to some extent not only depend upon the pay a man draws, upon the value he gives for his remuneration. A man may be expensive at £15 month if he does insufficient work and wastes the company's stores; while her's pay of £30, or even £40 per month for risky work, such as shaft-sinking, result in work which is much cheaper, and which expedites the company's ations. Diligence and intelligence ought to be encouraged, and I, personally, am vour of doing as much as possible by contract work, which puts the men on their le, and generally gives good results to the companies, if the contract price has determined intelligently by the manager. Contracts which enabled a man to per month up to £100 or even more, can, to my mind, by no board of directors efended. It is not alone dear, but also in many cases inefficient labour under ch the mining industry has to suffer.

White wages.

Contract work.

The supply has generally not been sufficient for the demand, and it was hereto- very difficult to effect a reduction. In October last, the wages were reduced ewhat, and this measure having worked well, it has quite recently been resolved the board of directors to effect a material reduction, which averages 30 per cent. the wages ruling at present. It is to be hoped that this step will not result in too e a number of natives leaving work. It may, however, be reasonably expected t, if this should take place, and the supply become inadequate for a time, the tives will soon return or others take their place, if the mines remain firm in their ermination. One point must, however, not be lost sight of: if the Government es such steps as will tend to expand mining operations, the demand for native our is bound to increase, and it behoves us to look around in time to fill this nand. I am afraid that private endeavours, even if they be in the hands of the ustry itself, will prove unavailing to cope with the demand, and I think the vernment ought to seriously consider what steps they are to take to assist the ning industry in its endeavours. Such taxes, I think, must be imposed on the tive living in this Republic as will virtually compel him to work not alone for a ort period, which is generally now the case, but for the best part of the year. The overnment might also to advantage approach the adjoining States and Colonies to sure their co-operation in securing an efficient supply of native labour to the gold dustry, for they must be aware that any such facilities will redound to their vantage through the extended carrying trade on their railways and the spending wer of their native population. It is especially in the direction of Delagoa Bay, here at present such conditions obtain, that the bringing of natives to these fields is ost expensive. A tax of 27s. 6d. per head is levied by the Portuguese authorities, hich, everyone will own, is exorbitant. Not alone is this excessive tax exacted, but

Native labour.

Reduction of native wages.

Co-operation of Government necessary to supply native labour: means suggested.

the greatest difficulties are placed in the way of labour agents. There are t ways in which the Government can assist the mining industry in its endeavou procure a sufficient and cheap native labour supply. I will only mention, encouragement of locations not far from the Rand, the unselfish co-operation of Native Commissioners in sending down boys, and an adequate administration of Pass and Liquor Laws.

Locations, Native Commissioners, Pass and Liquor laws.

Board to administer Pass and Liquor laws, and to prevent gold thefts.

I think that the suggestion to establish a special Government Board, whic to confine its work to questions affecting the mining industry, is a most excellent The welfare of the State is so intimately connected with the prosperity or other of the industry, that it is of the greatest importance to have every phase studied Board which has an intimate knowledge of the requirements. To attain this e think it would be of the greatest importance to appoint to this Board also a cer number of members who are leaders of the industry. It would be well to give pow to this Board to administer, and, if necessary, amend, with the consent of Executive Council, the Pass and Liquor Laws, and to take such measures as will t to decrease the gold and amalgam thefts.

Excessive price of dynamite.

The price charged to the mines for dynamite is out of all proportion to the cos which the explosive is being laid down here by the monopolists, for everyone kn that the quantity actually manufactured here is only very small, and that, therefo enormous profits accrue to the monopolists; whilst the Government has to be sati with a modest 5s. per case, and earns all the abuse for a state of affairs which certa ought not to exist. Since it would appear that the manufacture of dynamite in country has insurmountable obstacles placed in its way, as all the articles necessary the manufacture itself have to be imported, and are several times the bulk of dynam further, as the manufacture itself is here very expensive; and, finally, as the products can hardly be utilised in this country, and might even be a source of dan I think it entirely unreasonable that the industry should be made to pay 107s. 6d. a case of blasting gelatine, which can be placed free on board at Hamburg for abo quarter of that amount. I beg to give it as my humble opinion that once free tr in dynamite is established in the Transvaal there would be no question of a ring in this article; the large consumption in the Transvaal would create such competi that no ring could come up against it. Reasonable prices for dynamite would af mining costs most materially. The expenditure per ton of ore crushed depe naturally on the condition and width of the reefs in the various mines. Whilst, instance, this item amounts to only 1s. 6d. in the Meyer and Charlton Gold Min Company, it continues to be 4s. 4d. per ton in the Princess Estate and Gold Min Company, or expressed on a percentage basis—6·325 per cent. as compared with 13 per cent. respectively of the total working costs.

Free trade in dynamite.

Excessive railway rates.

The railway rates paid, not only to the Netherlands Company, but also to lines feeding that company, are so preposterously high that they tend to m gold mining in this country in most cases almost an impossibility. When some ye ago the traffic was a limited one, those rates may have been perhaps justified. But that time everyone was looking forward to very material all-round reductions, wh however, so far have in vain been waited for. There can be no doubt about it, t if these rates are not reduced, the expansion of the industry will be materi checked, nay, that operations will even have to be materially curtailed, since a red tion in the price of dynamite and in the railway rates, in many cases, means turn a loss into a profit. I think the Government will grant that the industry reasonably look forward to their warm support in this matter, for the leaders of industry have shown that they use every endeavour to bring about such reforms the management of the mines as will tend to the highest possible economy. I h

d several tables worked out in order to show what the profits of the various rail-ıys during 1896 have been, and also what interest would have been secured in case rtain reductions had been made in the rates.

STATEMENT No. I.

The Netherlands Company will pay on its ordinary share capital, after paying terest on bonds, redeeming bonds, placing £297,000 to reserve, and paying to the ard and staff £52,677, a dividend of 14·71 per cent. The profit to the Government ill amount to £895,475. These figures are approximate. Now, if the passenger tes would be reduced by 15 per cent., and the goods' rates by 30 per cent., a saving the community of £801,900 would be effected, and the shareholders would still ceive the respectable dividend of 8·52 per cent. The Government's profits would, of urse, be materially reduced, and would amount to £282,064.

Approximate returns of Netherlands Railway for 1896.

Effect of 15 per cent. reduction on estimated returns for 1896.

STATEMENT No. II.

This deals with the returns of the three systems of the Cape Government ailways—both as regards local traffic and through traffic to the Transvaal. Here a duction of 10 per cent. has been taken for passenger rates, and 20 per cent. for ods rates, as the present rates are considerably lower than those of the Netherlands ompany. The interest earned in 1896 on all traffic on an invested capital of 18,218,580 for the Cape lines, or including Orange Free State line, of £20,790,288—s been £8 19s. 7d. per cent., equal to £1,867,198 9s. 6d. This includes 50 per cent. the net receipts on traffic over the Orange Free State line, and 4 per cent. interest the invested capital of £2,571,702. With the above reductions on the rates, the erage interest of the three systems of the Cape would amount to 5·18 per cent., ual to £944,776. The Western would earn 4·44 per cent., the Midland 7·22 per cent., d the Eastern 3·06 per cent. It must be borne in mind that this is an average rate r the whole system, and that certain lines pay even at present no interest, or only a ry small one. I have shown in this statement a reduction on *all* receipts, whilst in atement No. VI. I have dealt with the benefits accruing in such a case to the ansvaal.

Returns of the three Cape railways for 1896 on an estimated reduction of rates of 10 per cent. for passenger, and 20 per cent. for goods traffic.

STATEMENT No. III.

The same reductions in the rates as in the Cape operating on the Orange Free ate Railway would still yield interest at the rate of 19·98 per cent., equal to 513,567 to the Free State for 1897, when this line is worked by the Government. his is, of course, on the basis of the traffic during 1896. The rate of interest on the vested capital of £2,571,702 amounted during 1896 actually to 26·9 per cent., of hich half, after deducting 4 per cent. on the invested capital, went to the Govern-ent of the Orange Free State, amounting to £289,553.

Estimated returns of Orange Free State railways for 1897, with an estimated reduction of 10 per cent. on passenger, and 20 per cent. on goods traffic.

Interest of Orange Free State Railways for 1896.

STATEMENT No. IV.

During 1896 the Natal Government Railways yielded £11 9s. ½d. per cent. on an ıvested capital of £6,236,555, equal to £714,224. Had similar reductions of 10 per ent. and 20 per cent. been made on the rates the interest would still have amounted o £8 18s. per cent., equal to £509,983.

Interest on Natal Railway for 1896.

STATEMENT No. V.

Estimated economy to Transvaal population on Netherlands Railway, and through rates for 1896, with an estimated reduction of 10 per cent. on passenger, and 20 per cent. on goods rates.

This statement shows how much the Transvaal, *i.e.*, inhabitants and the mining industry, would have saved if the reduction in the railway rates, mentioned in the previous statement, had been ruling. It must be well understood that I give here only the saving on the through traffic from the Cape, Orange Free State, and Natal, to the Transvaal, and on the entire traffic of the Netherlands Company. Unfortunately, no figures as regards the Portuguese line are in my possession. The saving to the Transvaal on this basis would have amounted to £1,195,201, of which nearly a million would directly or indirectly have benefited the mining industry.

STATEMENT No. VI.

Estimated cost of expropriation of railway.

It is well to analyse what it would cost the Government to expropriate the Netherlands Railway Company if this course were decided upon now. I find that the price would be about 257 per cent., equal to £2,996,600 for the total issued capital of £1,166,666 (of which £476,033, equal to 5,713 shares), are owned by the Government. Adding to this the issued debentures, the Government would have to provide a total of £8,424,633 (minus the value of their shares in the ordinary capital of the Netherlands Railway Company.) Taking the safe figure of 4½ per cent., at which the Government could borrow, the reduced rates would still yield her £354,480, after paying all working costs, 10 per cent. of gross revenue for depreciation, and the interest on the loan.

Estimated profit on Netherlands Railway after expropriation.

I am, however, firmly convinced that the reduction in the rates would be followed by a material expansion of the traffic, thus increasing the profit.

STATEMENT No. VII.

Profits on English railways.

This statement shows the average yield in per cent. per annum of some of the leading English railways.

Working costs of Meyer & Charlton and Princess Estate G. M. Cos.

I append detailed cost sheets of the Meyer and Charlton Gold Mining Company and the Princess Estate and Gold Mining Company, numbered respectively VIII. and IX. The cost per ton crushed of the latter company is higher than on the Meyer and Charlton, caused through the thinness of the reef. The cost of the Princess Estate and Gold Mining Company, through lower prices for dynamite and a reduction in the railway rates, would be substantial, as the figures for dynamite and fuel per ton crushed are 4s. 4·1d. and 3s. 7·7d. respectively. Both at the Meyer and Charlton and Princess every step has been taken to reduce expenditure as much as ever possible, and consequently the cost of the latter company shows a marked decrease against that ruling during 1896. In the same way the working costs of the Meyer and Charlton have been reduced from 24s. in 1896 to 18s. 9d. for April last. This reduction is partly owing to an increase in the stamping power.

STATEMENT No. I.

NETHERLANDS RAILWAY.

Average aggregate earnings for 1896 according to the Chamber of Mines Railway report, £2,970,000; of which 41 per cent. may be expected to cover working expenses; this would mean a dividend of 14·71 per cent. on the share capital and a profit of £895,475 to Government.

According to the 1894 and 1895 returns, the revenue for passenger traffic was about 20 per cent. of the total traffic receipts.

Taking a reduction of 15 per cent. on the receipts from passenger traffic, and of 0 per cent. on goods, the receipts would have been as follows:—

REVENUE.

Passengers	£594,000	
Less 10 per cent.	89,100	
		£504,900
Goods, etc., ...	2,376,000	
Less 30 per cent.	712,800	
		1,663,200
		£2,168,100

EXPENDITURE.

Working costs (41 per cent. of £2,970,000 ...	£1,217,700	
Interest and redemption of loans... ...	335,500	
10 per cent. of gross revenue to reserve ...	216,810	
Guaranteed interest on shares	66,250	
		£1,836,260
		£331,840

Of which—

85 per cent. = £282,064, goes to Government.
10 per cent. = 33,184, goes to Shareholders.
5 per cent. = 16,592, goes to Directors.
The Shareholders get £66,250 guaranteed interest.
33,184 surplus dividend.

Total ... £99,434

Equal to 8·52 per cent. per annum on the capital of £1,166,666.

STATEMENT No. II.

Cape Government Railways.

Basis: 1896 returns.
20 per cent. reduction on goods traffic receipts.
10 per cent. reduction on coaching receipts (passengers and parcels).

WESTERN SECTION.

Earnings:		
Coaching	£539,260	
Less 10 per cent.	53,930	
		£485,330
Goods, &c.	675,930	
Less 20 per cent.	135,186	
		540,740
Total		£1,026,070
Expenditure:		
Total		674,460
Net balance		£351,610

Capital entitled to interest, £7,918,394.

MIDLAND SYSTEM.

Earnings:		
Coaching	£219,453	
Less 10 per cent.	21,950	
		£197,503
Goods, &c.	1,116,142	
Less 20 per cent.	223,228	
		892,914
		£1,090,417
Expenditure		608,232
Net Balance ...		£482,185

Capital entitled to interest, £6,674,890.

EASTERN SYSTEM.

Earnings:		
Coaching	£98,770	
Less 10 per cent.	9,877	
		£88,893
Goods, &c.	£385,170	
Less 20 per cent.	77,030	
		308,140
		£397,033
Expenditure		286,072
Net Balance ...		£110,961

Capital entitled to interest, £3,625,300.

NET REVENUE AT REDUCED RATES.

System.		Capital entitled to Interest.	Net Balance.	Yield in per cent.
Western	...	£7,918,390	£351,610	4·44
Midland	...	6,674,890	482,185	7·22
Eastern	...	3,625,300	110,981	3·06
Total	...	£18,218,580	£944,776	5·18

STATEMENT No. III.

Orange Free State Railways.

Earnings:		
Coaching	£315,618	
Less 10 per cent.	31,562	
		£284,056
Goods, &c.	£728,216	
Less 20 per cent.	145,643	
		582,573
		£866,629
Expenditure		353,062
Net Balance ...		£513,567

Which is 19·98 per cent. on £2,571,702 (capital entitled to interest).

STATEMENT No. IV.

Natal Government Railways.

REVENUE.

Passenger and parcel	£230,018	
Less 10 per cent.	23,002	
		£207,016
Goods, &c.	£906,196	
Less 20 per cent.	181,239	
		724,957
		£931,973

EXPENDITURE.

Total	421,990
Net balance	£509,983

Capital entitled to interest, £6,236,555. Yield, 8·18 per cent. per annum.

N.B.—Expenditure includes £20,284 3s. 8d. for compensation in connection with the Glencoe Railway Disaster.

STATEMENT No. V.

Recapitulation.

The gross earnings of through traffic to the Transvaal in 1896 are:—

Cape Government (including O.F. State Line) Railways.

£1,592,898, of which

Taking the passenger traffic at 30 per cent. of the total	£477,867; 10 per cent.,	£47,787
Taking the goods traffic at 70 per cent. of the total	1,115,031; 20 per cent.,	223,006

Natal Government Railways.

£680,600, of which

Taking the passenger traffic at 20 per cent. of the total	£136,120; 10 per cent.,	£13,612
Taking the goods traffic at 80 per cent. of the total	544,480; 20 per cent.,	108,896

Netherlands Railway.

£2,970,000, of which

Taking the passenger traffic at 20 per cent. of the total	£594,000; 15 per cent.,	£89,100
Taking the goods traffic at 80 per cent. of the total	£2,376,000; 30 per cent.,	712,800
Total saving		£1,195,201

(Exclusive of Portuguese Railway, report of which is not to hand.)

The maximum rate of the Netherlands Company, according to the Concession, is fixed at 6d. per ton per mile.

It would appear, however, that the Netherlands Company's share in through traffic from the Cape amounts to 7·7d. per ton per mile from Vaal River to Johannesburg.

STATEMENT No. VI.

Netherlands Railway.

Should the Government expropriate the railway at the rate of 12 per cent., *i.e.*, an average dividend on Netherlands shares on the basis of the following dividends:—

9 per cent. for 1895,
14 per cent. for 1896,
13 per cent. for 1897,

The amount to be paid by the Government would be—

	Per cent.
20 times 12 per cent.	240
Plus 17 per cent. (1 per cent. for each year 1897-1915) ...	17
	257

On a capital of £1,166,666	£2,996,600
The debenture debt of the Netherlands Railway Company at the end of 1896 amounted to	5,428,033
(Since then authorised, £1,100,000.)	
Government would have to provide for	£8,424,633

At the reduced basis of 1896, and assuming Government can raise money at the rate of 4½ per cent., its net revenue per annum would amount to—

Gross revenue		£2,168,100
Expenditure:		
Working cost	£1,217,700	
10 per cent. depreciation	216,810	
4½ per cent. interest on £8,424,633 ...	379,110	
		1,813,620
Net revenue		£354,480

STATEMENT No. VII.

ENGLISH RAILWAYS.

Name of Railway Company.	Issued Share Capital.	Issued Loan Capital.	Average Yield on Total Capital per Annum.
			Per cent.
Great Eastern Railway	£32,858,519	£14,784,171	about 3
Great Northern Railway	37,204,305	12,972,763	„ 3·15
Great Western Railway	59,392,000	18,351,734	„ 4·32
Lancashire and Yorkshire Railway...	36,346,616	16,931,017	„ 3·59
London and North-Western Railway	78,782,555	37,532,804	„ 4·11
London and South-Western Railway	25,780,633	12,365,359	„ 3·59

STATEMENT No. VIII.

MEYER AND CHARLTON GOLD MINING CO., LTD.

Expenses for the year ending 31st December, 1896:—Mill tonnage, 101,397.

				Cost per Ton.		Per Cent. Total Cost.
	£	s.	d.	s.	d.	
Native labour / Native food	39,630	9	9	7	9·803	32·549
White labour, salaries, &c., including manager's salary and all administration expenses at the mine	32,520	15	0	7	0·075	29·173
Coal	10,647	12	9	2	1·202	8·745
Dynamite	7,700	19	4	1	6·228	6·325
Cyanide	4,359	15	1	0	10·320	3·581
Zinc	290	2	2	0	0·687	0·238
Royalty	2,017	13	4	0	4·776	1·657
Mining timber	920	11	7	0	2·179	0·756
Timber, deals, &c.	213	7	10	0	0·505	0·175
Steel	777	15	1	0	1·841	0·639
Oils, grease, and paraffin	983	10	10	0	2·327	0·808
Candles	1,494	14	3	0	3·537	1·227
Ropes, steel and manilla	264	10	11	0	0·626	0·217
Forage, chaff, and bran	279	9	9	0	0·662	0·230
Electric spares	190	16	11	0	0·453	0·157
Mill spares, shoes, dies, cams, cam shafts, stems, mortar boxes, screening, &c. ...	711	14	11	0	1·685	0·585
Trucks, wheels, and rails (capital account)	...				...	...
Pipes and pipe fitting	260	0	0	0	0·616	0·214
Fuse and detonators	793	13	6	0	1·877	0·651
Sundry Stores—Bar iron, bolts and nuts, assay chemicals, machinery, &c.	6,894	6	5	1	4·318	5·662
General charges—						
Insurance and sundries £5,523 14 3						
Licenses and rents ... 84 0 0						
Printing and advertising 1,089 15 1						
Directors' and committees' fees 1,108 0 0						
	7,805	9	4	1	6·474	6·411
	£121,757	8	9	24	0·192	100

STATEMENT No. IX.

RINCESS ESTATE AND GOLD MINING CO., LTD.

Average Working Costs per Month.

Description.	Amount.			Cost per Ton.		Percentage of Costs.
	£	s.	d.	s.	d.	
ive wages	2,165	2	4	8	7·7	26·73
ive food	321	10	1	1	3·4	3·96
opean wages, including contracts ...	2,058	14	2	8	2·6	25·40
l	912	3	11	3	7·7	11·26
namite and gelatine	1,087	15	6	4	4·1	13·42
nide	99	18	9	0	4·8	1·24
e timber	31	5	0	0	1·5	0·38
ls	28	13	9	0	1·3	0·36
ll steel	82	18	11	0	4·0	1·02
ricants	113	10	6	0	5·4	1·39
dles	130	14	6	0	6·3	1·61
es and dies	55	10	0	0	2·6	0·68
e and caps	96	3	11	0	4·6	1·19
eening	11	14	9	0	0·6	0·15
ews, nails, bolts, &c.	10	13	11	0	0·5	0·14
ndry stores	20	0	3	0	1·0	0·25
	517	13	1	2	0·8	6·38
ad office charges	209	3	4	0	10·0	2·58
ndry expenses at mine	151	3	3	0	7·2	1·86
	£8,104	9	11	32	4·1	100

Mr. Jennings' evidence.

MR. HENNEN JENNINGS, Consulting Engineer to Messrs. H. Eckstein and Co., was then called to give evidence.

Witness said: I have resided in Johannesburg since the latter part of 1889.

Chairman.

On what points do you wish to give evidence?

Witness.] I wish to give evidence in accordance with the Chairman's statement, in order to bring to light the actual state of the mining industry of the Witwatersrand goldfields, and the reasons for the same, and my candid opinion on the present condition of affairs. I have a statement to make which I wish to read.

Witness then read the following statement:

I wish to make a statement, more or less summing up, including and extending the evidence of preceding witnesses, and to vitalise the facts and statistics set before you by a connected linking of these facts in a logical and orderly manner, and to give you my candid ideas as to the actual state of the mining industry.

The magnitude and wealth of these goldfields have been examined, discussed, and written upon by very many able men from all parts of the world, and they have all agreed in stating that this deposit is unique in its characteristics, and contains vast possibilities. These reefs, which are conglomerate beds, have been traced for some 50 miles; showing varying thickness and gold value, and in one point proved by the Bezuidenville borehole to a vertical depth of 3,130 feet. Mr. Hamilton Smith has happily described the fields by stating that the excellence of these mines is not due to their exceeding richness, but rather to the large continuous bodies of ore of a moderate grade, and has recognised the necessity for the best possible mechanical plants, and the most skilful and economical management. He, moreover, was of the belief that if the management were radically bad, not more than three or four mines could have yielded considerable profit. He also estimated (January, 1893) that within the then recognised paying area of the Witwatersrand goldfields, down to a vertical depth of 3,000 feet, there was probably 325 million pounds sterling worth of gold to be extracted. His statement has been corroborated by Mr. Schmeisser, a German Government engineer, who estimated at the end of 1893 that down to a vertical depth of 3,900 feet, and for a lateral extent of eleven miles, there were possibilities of £349,367,000.

Extent and nature of reefs on Rand.

Estimated wealth of reefs.

Professor Becker, of the United States Geological Survey Department, who visited these fields in 1896, estimates the possibilities within twenty miles of Johannesburg, to a vertical depth of 5,000 feet, at about 700 million pounds sterling. Hitherto, in all gold-mining regions of the world, gold mines have been considered highly speculative ventures, and liable at any time to give out; they have nowhere else such advantageous natural conditions as here for making a staple permanent industry, nor the same justification for the great expenditure of initial capital on their equipment and development. Gold is here supplemented by coal in close proximity, ample water supply, and favourable climatic conditions. Of course there are fluctuations even here in the richness of the different mines, and there are unaccountably rich, medium, and poor mines in juxtaposition or in distinct sections. There is no doubt there are sections of the Rand which can be continued to be worked at a good profit at the present rate of costs ruling on these fields, but there is a far larger amount of ground that will not be worked, or only tried and then abandoned, if the conditions prevailing as to costs are not lowered, and the predictions of the eminent authorities I have quoted can only be realised by all parties interested doing everything in their power to obtain highly efficient working at low cost, and thus increas-

Advantageous conditions of Rand.

ing the scope and possibilities of the whole fields. Take Professor Becker's estimate of 700 millions sterling. At the present rate at which we are now taking out gold, these fields would have a life of about 90 years, but the rate at which we extract this gold will be constantly increasing if the working conditions are rendered more favourable, and the life of the fields will become correspondingly shorter; this takes into no account the working of our southern low grade reefs, but only the Main Reef series. Professor Becker's estimate, too, as well as Mr. Hamilton Smith's and Mr. Schmeisser's, do not include the Klerksdorp, Potchefstroom, Heidelberg, Lydenburg, Barberton nor other districts, which, according to the figures for 1896, contributed approximately 9 per cent. to the total gold production of the South African Republic.

Estimated life of Rand.

Percentage of gold from Barberton, Klerksdorp, Heidelberg, &c.

The State Mining Engineer, in the course of the proceedings of this Commission, has stated that there were 185 gold mining companies in 1896 in this Republic, with a nominal capital of £54,000,000.

Number and capital of gold companies in Transvaal.

On the Witwatersrand fields there have been about 5,500 stamps erected. The annual report of the Chamber of Mines shows that on an average 3,470 stamps were running during 1896; consequently, it would appear as if 2,030 stamps had been stopped; but this is not really so, as many have been dismantled, and new ones have replaced them. But it is a fact that there are on the fields many companies with a large number of stamps that have suspended operations, and there are several others which, during this year, will probably follow suit.

Number of stamps on Witwatersrand fields.

The Chamber of Mines' report shows that in 1896 there were fifty-six companies in operation: while the statements from the Chamber of Mines and the Association of Mines for March show that there are now only forty-seven companies with 3,275 stamps working. On the other hand, great energy is being shown by deep level and other companies in pushing forward work with the object of starting more stamps, and it is estimated that about 1,000 new stamps will start during the current year, if conditions are favourable. I have gone to considerable pains to obtain as far as possible the last annual report of all principal mining companies working in 1896, and which have been working continuously during the periods covered by their last annual report, and to analyse these reports; the gold returns being according to the sworn statements of their managers, and the accounts being in each case signed by the auditors and secretaries. It should be noticed that, in dealing with these twenty-nine companies, the period covered is not necessarily the year 1896 only, but embraces the actual period covered by each individual report, and often this is for part of 1895 and part of 1896, and in several cases includes periods longer than one year. This table I consider most remarkable, in that it is compiled by a private individual from published statements given freely to the world, and anybody can make out the same table who obtains the same reports. In this connection I would state that in discussing the matter of statistical information about these fields with different eminent mining men from all parts of the world, the consensus of opinion is that more generous and accurate information is given on these fields of the working of the mines than is the case in any other part of the world. In addition to the companies' reports, we have also the vast amount of accurate information collected by the State Mining Engineer, the Chamber of Mines, and the individual enterprise of C. S. Goldmann, so that the investing public should certainly be cognisant of all vital facts here with such statistics before them; and if they exaggerate the possibilities of the mines, we have nothing to reproach ourselves with. At the same time, it is regrettable that more publicity has not been given to the work of the State Mining Engineer's Department as regards the statistics of the gold industry. The Government should have been proud of this collection, and had it published in all languages, and distributed to the world. They have, I think, been negligent in this

Companies working in 1896 and now.

Deep levels.

Analytical return of 29 gold companies.

State Mining Engineer's statistics.

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The summary of this statement is as follows :—

	Costs per ton. s.	d.	Per cent. of total cost.
Native labour	6	9·62	23·73
Native food	1	2·24	4·14
White labour, salaries, etc.	8	7·78	30·18
Coal	2	4·35	8·24
Dynamite	2	10·13	9·92
Fuse and detonators...	0	1·97	0·57
Cyanide	0	8·12	2·36
Zinc	0	0·62	0·18
Mining timber	0	2·98	0·87
Timber, deals, etc.	0	4·05	1·18
Steel	0	4·21	1·22
Oils, grease, and paraffin	0	3·73	1·09
Candles	0	4·15	1·21
Ropes, steel and manilla	0	0·93	0·27
Electric spares	0	1·47	0·43
Mill spares, shoes, dies, cams, cam shafts, stems, mortar boxes, screening, etc....	0	4·59	1·34
Trucks, wheels, and rails	0	2·24	0·65
Sundry stores: bar iron, bolts and nuts, buildings, machinery, assay chemicals, pipes and pipe fittings, etc. ...	2	0·73	7·19
General charges: Insurance, licences and rent, printing and advertising, sundries	1	5·99	5·23
Totals	28	7·90	100·00

This again corresponds so closely with the statements made by the Chairma the recent Rand Mines Meeting, that I beg again to put this portion of his spee evidence. It will be noticed that on this sheet I submit, each Company's Secr has placed his signature as a voucher for the accuracy of the statements.

Percentage of working costs of the whole Rand, from State Mining Engineer's report.

In support of these figures, as being a criterion for the whole Rand, I beg to state the following statistics were compiled from the State Mining Engineer's report for 18

	£	Per cent of total cost.
White labour	2,400,000	34·3
Kaffir labour	2,000,000	28·6
Coal	700,000	10·0
Explosives, *i.e.*, dynamite and gelatine...	600,000	8·6
Mining timber and sawn lumber ...	300,000	4·3
Cyanide	240,000	3·4
Meat, mealies and mealie meal (being for the most part food for kaffirs) ...	250,000	3·6
Iron	85,000	1·2
Candles and paraffin	95,000	1·4
Tools	70,000	1·0
Steel	65,000	0·9
Mercury, zinc, and other chemicals ...	45,000	0·6
Caps, safety fuse, ropes, cement, etc. ...	150,000	2·1
	£7,000,000	100·0

This is seen not to correspond exactly with the statement I have given; a simple explanation of which is that the State statistics are for a different period and cover an expenditure of £7,000,000, which includes the non-producing as well as the producing mines, while the figures in my statement only cover an expenditure of £1,300,524.

I again wish to put in evidence the State Mining Engineer's figures regarding wages paid on these fields to white labour, taken from the report of 1895, which show:

White wages in 1895.

Occupation.	Number.	Average monthly wage. £
Shift bosses	185	33
Miners	1,430	23
Rock-drill machine men	956	17
Trammers	226	18
Engine drivers	765	24
Pump men	129	23
Stokers	89	19
Carpenters	1,058	26
Smiths	638	26
Mechanics and fitters	900	26
Bricklayers	75	22
Stonemasons	213	29
Daily labourers	149	18
Mine and store clerks	287	23
Amalgamators	291	23
Cyaniders	217	22
Concentrators	35	22
Vannermen	32	20
Smelters	21	26
Various workmen	472	21
	8,168	£461

Average white wages.

making an average of £23 7s. 10d. per man per month.

This amount is seen to be somewhat lower than that given by the manager of the Crown Reef in his evidence, which figured out at £24 1s. 10d., and which is, I believe, representative of the five other companies dealt with in this statement, but I would prefer to deal with this subject from the State statistics basis, and if there are any errors in the statement as regards the State Mining Engineer's Department, I beg that he will correct them so that they can be put in this statement on their right basis.

I also wish to vitalize all these statements by more or less culling from the history of the six companies I have given, and whose workings I am in a position to state with accuracy, and to show how these yields and costs have been arrived at, and how these whole fields compare with some of the yields and costs of gold mining in other parts of the world.

Early development of gold mines.

We will take the Robinson Company as the typical rich mine, and follow a little of its history. It will be noticed from its published annual reports that it first figures as a gold producer in the year 1888, and that it commenced with 10 stamps, which ran up to 1889 before being superseded by 40 new ones; that the yield per ton for its first year's work was 272s. 7·04d., and that the working cost, which then only included mining and milling, was 72s. 1·04d. per ton; that the extraction was 65 per

cent.; the machinery then erected was of a crude nature, and the mine wo rather of a prospective than a permanent kind.

Go to any old prospector and ask him the method in which he looks for gol new region. He will tell you that he has no great geological knowledge, but t knows gold when he sees it; that he goes over the surface and wherever he fi outcrop he tries it with the pan. He goes over the whole extent of outcrop open to him and naturally picks out the richest points at which to start work commences on a small scale and he works these rich parts, and as they giv profit so he extends his operations. So started the Robinson, and so was the developed.

The richest mines are started first, and the richest places in these min selected for a start. It would have been folly to have done anything else. early stages there was no need of a highly trained engineer. In fact, a conscie one would have told his principals that he had never seen any deposit like thi he would have to be guided by actual disclosures in order to intelligently advise

With this digression let us return to the history of the Robinson Company.

Capital of Robinson G.M. Co.

ROBINSON G. M. Co., LTD.—The nominal capital of the Robinson was first £ in £1 shares, of which £5,000 were working capital. This small original w capital was due to the insistance of the original owner of the ground. The o owner was bought out after a time, and on January 24th, 1889, the capit increased from £50,000 to £53,375, in order to acquire six claims leased to third before formation of Company. This again was changed on Feburary 16th, 188 capitalisation of £2,750,000 in 550,000 £5 shares, to meet the public, who had pl value of £60 or £70 upon the original £1 share. All of this capital was iss shareholders with the exception of 16,250 shares, held in reserve, the area of the bearing ground being equivalent to 106 claims, which has since been increa purchase to 136 claims.

The financiers who controlled the workings of this mine realised the large cap tion, and their endeavour has been to justify it by actual returns from the mi their success is demonstrated by the fact that, even on the present low market of to-day, viz., £6 14s. per share, the capitalisation of this company is held shareholders at £3,685,000, and it is considered in Europe one of the Consols industry. On this capitalisation the last year's profit shows 10·21 per cent.

1896 Profit.

Stamps.

Now, how was this brought about? The 10-stamp mill was replaced in 1 40 stamps; the 40 were extended in 1891 to 60; the 60 extended in 1894 to in 1895 the mill was further extended to 120 stamps.

Yield and working costs.

The yield and working costs during these periods were as follows:—

	Working cost per ton, including depreciation.		Yield per ton.	
	s.	d.	s.	d.
1888	72	1·042	272	7·04
1889	65	11·846	182	7·24
1890	65	1·865	113	2·94
1891	52	5·575	103	5·53
1892	46	5·997	95	6·78
1893	42	1·097	101	0·02
1894	41	4·736	97	4·94
1895	30	0·913	80	5·67
1896	30	11·096	69	10·20

Reefs.

Mining was carried on in three reefs in this mine, known as the South Reef Reef Leader, and the Middle Reef. The latter was afterwards discovered to be an overlap of the South Reef, and disappeared altogether at the third level.

The ore in the upper level, down to a depth of about 210 feet, was what is known as "free milling." The dip was 42 degrees, but has gradually flattened, until, at the greatest depth, viz., 1,484 feet down on the incline, it is only 29 degrees. At a depth of 210 feet the matrix of the conglomerate pebble formation changed from an oxidised to a pyritic character, and the mining became somewhat more difficult and costly. Nature of ore.

The difficulties in obtaining satisfactory results by simple plate amalgamation then became greater, and one of the problems facing this company was to get an adequate return of gold from the ore, as tailings leaving the mill averaged as high as 14 dwts. per ton.

This company was the first on the Rand to successfully run frue vanners. It supplemented this work by the erection of a chlorination plant, which not only dealt with its own concentrates, but also those of other companies; and this chlorination plant has produced gold to the value of over £860,000 since it started. Chlorination plant.

This company was also the first to introduce on a large working scale the cyanide process. It replaced the first original works by larger ones, and has expended in connection with this branch of the industry, over £40,000. Cyanide works.

The treatment of slimes was also introduced on a large scale at this mine, and in connection with the Rand Central Ore Reduction Company, it has expended £60,000 to £70,000 in this direction. Slimes treatment

Outlay of Robinson G.M Co.

The total amount of money put into buildings, plant, improved processes, etc., by this Company has amounted to	£426,736
Development	355,528
Making a total outlay of	£782,264

and the reserve ore in sight in the mine is 441,506 tons. Reserve ore.

Granted that a large proportion of this money was obtained from the ground, it was put back into the ground, and it aided all other companies in improving their appliances, and in their own case has brought up the gold extraction from 65 per cent. in rich free milling rock to over 90 per cent. in the pyritic ore worked at the present day, and has thereby given encouragement and impetus to all mining on these fields. In dealing with the metallurgy of the ores on the Rand, the ordinary process of milling, concentration and chlorination, though adopted at this mine, did not prove as successful as in other parts of the world, owing to the way in which the gold was found in the rock, *i.e.*, in very minute particles; and this great percentage has been obtained by the initiation of a comparatively new system in metallurgy which has had its growth and development on these fields, viz.: the treatment of tailings and slimes by the cyanide process, and the Robinson Company was one of the early pioneers in this direction. It will be noticed that a remarkable decrease in costs has taken place from the early stages of the mine to the present time. Cyanide treatment. Decreased working costs of Robinson G.M. Co.

Milling and tramming costs have been reduced from 18s. 8d. to 3s. 8d. per ton; mining costs 36s. 3d. to 17s., inclusive of development.

Cyanide costs started at 13s. 6d. per ton treated, including royalty, and were reduced to 3s. per ton treated last year. The total cost per ton on a milled basis was 72s. 1d. in 1888, and is now 30s. 11d., including two more metallurgical processes, working in harder ground, and all current capital expenditure as well as depreciation, showing a reduction in cost of 41s. 2d. per ton.

In comparing the cost of the Robinson with other mines, it must also be remembered that, although little sorting is done on the surface, a considerable quantity of waste is eliminated below. These are indeed startling reductions, and, from an

engineer's point of view, I cannot see how the efficiency of this Company's works be greatly increased.

Officials of Robinson G.M Co.

The Board have used every endeavour to obtain men of acknowledged excelle in their departments from all over the world.

The manager of the Alaska Treadwell, the working costs of which mine hav prominently figured before the public, was induced to take the management of t Company in 1892, and, though not alone, a great deal of the credit of the reduction costs is due to his instrumentality and to his wonderful power of dealing with employees of the Company. His motto among his officers was to impress them w the idea that in each department they were to work as if the Company were tl own; and with great firmness he combined great kindness, and was loved as well respected.

The work done at the Robinson has had its effect on other mines, and withou Robinson mine you would not have a Heriot, and without a Heriot you would not h a Geldenhuis Deep.

New Heriot.

NEW HERIOT.—The Heriot Company is an illustration of a not exceptionally h grade mine starting with inadequate working capital, poor and meagre equipment, being obliged to suspend operations owing to the fact that it could not be made to with the appliances and funds at the disposal of the Company.

Capital and claims.

The Company was formed in August, 1887, with a capital of £50,000 in £1 sha the vendors receiving £4,000 as the price of the property, which consisted of twer nine claims.

Initial yield and costs.

The battery commenced work in January, 1888; the initial yield after six mor was valued at £2 16s. per ton, and the actual expenditure £1 19s. 8d.

Increased capital

The capital was increased in October, 1888, by issuing to shareholders 10, shares at 30s., and three dividends of 5 per cent. were declared, but the Company ag ran out of funds.

In December, 1889, the Board was authorised to increase the capital to £75,000 creating 15,000 new shares. But no tenders for these shares were received, and it not until April, 1890, that they could sell even at par the small amount of 1,000 sha and these only on the condition that they were to be redeemable at 30s. within months. In the following month 5,000 shares were allotted to an applicant for £7,

Attempts were made to obtain loans, but these were fruitless owing to restricted borrowing powers of the Directors, which were limited by the trust dee £3,000; and, moreover, the bank not only refused to sanction an overdraft bey that amount, but expressed disapproval of the debt already incurred.

Development and history of New Heriot.

During the year ending July, 1890, the mill of twenty-five stamps crus 8,873 tons, yielding gold to the value of £3 1s. 4d. per ton, the working costs be 52s. 6d. for mining and milling only.

During 1891 the mill practically stopped work. Early in 1892 the New He Company was formed, the capital increased to £85,000, and the management finances put into strong hands.

The mine was developed and thoroughly equipped with the cardinal idea o centralisation of power. The cyanide process was introduced, and the new wo were started towards the end of 1893. The total working costs in 1894 w 32s. 11d.; in 1895, 27s. 4d.; in 1896, 26s. 10d.; and the extraction brought up to a to of 85·3 per cent.

This is now considered one of the model mines of the Rand, and the manager i practical man who has grown up with the industry here.

Actual capital and claims of New Heriot.

The capital was increased in 1895 to £115,000, in order to acquire more grou and the total number of reef-bearing claims is now fifty.

HENRY NOURSE G. M. Co., LTD.—This Company was floated at Pretoria in April, 1887, with a capital of £35,000, in £1 shares, of which 24,000 shares were given for the property, and 11,000 shares were issued against £11,426 5s., which constituted the original working capital. This sum was soon exhausted, and a special general meeting of shareholders was held in Pretoria on June 4, 1888, when the capital was increased by 15,000 shares, which the Directors were instructed to issue at not less than 30s. each. At the first annual meeeting of shareholders held on August 14th, 1888, the Directors reported that owing to this limitation they had been unable to dispose of these new issue shares, excepting 2,670 shares taken by Sandycroft's agent to settle an amount due to them and to pay for a new 15-stamp mill which had been ordered. The balance sheet to June 30, 1888, shows that 1,642 ozs. 9 dwts. of gold had been won, so that the original 15-stamp battery must have started about March of that year, but no record of the number of tons crushed appears to have been kept. On June 30, 1888, the Company's cash was exhausted, but there were on hand 12,330 out of the 15,000 reserve shares created in June, 1888. Capitalisation and history of Henry Nourse.

At December 31st, 1888, the west shaft had been sunk to a depth of 103 feet, the central to 16 feet, and the eastern to 39 feet. The report to that date states that 2,330 of the reserve shares had been disposed of at 31s. per share, and the balance of 10,000 at 56s., thus placing the Company in funds; and that an order for a 15-stamp battery had been increased by 40 stamps, making 55 stamps in all, to make with the 15-stamp mill then running a battery of 70 heads. This battery was of too light a pattern, and was never erected, but was disposed of as an opportunity occurred.

At December 31st, 1889, the Company's indebtedness had increased to £24,905 17s. 9d., and at June 30, 1890, to £26,946 3s., and at a special general meeting of shareholders held on September 10, 1890, the capital, then £50,000, was increased by the creation of 50,000 to £100,000. Of these 50,000 shares, 37,500 were offered to shareholders at 30s., but were not applied for. Eventually these shares were taken up and came into strong hands.

The report of December 31, 1891, shows that it had been necessary to pledge the Company's assets as security for an overdraft at the Standard Bank, and the above arrangement as to the issue of the reserve shares was the best the Directors were then able to make.

At 30th June, 1892, the Company had paid off its liabilities and had a cash balance of £25,000. By 31st December, 1892, the 15-stamp battery hitherto running was increased by 20 stamps, and on 12th December, 1892, a cyanide plant was erected near the old battery and commenced work.

During the next half-year five more stamps were added to the battery, and extensive additions were made to the pumping and hauling equipment, and at 30th June, 1893, the Company was again in debt about £17,000.

The mine was, however, opening up well, and showing such good returns that a special meeting held on the 7th March, 1894, sanctioned the increase of the capital to £125,000 by the creation of 25,000 shares, which were taken up by shareholders and guarantors at 40s. each. The capital thus raised, and profits accruing from mining operations, were expended in the erection of a first-class plant on the basis of 60 stamps. The total expense incurred in the equipment and buildings amounting in all to £200,000. Equipment of Henry Nourse.

The total number of claims in this property is about eighty. Number of claims of Henry Nourse.

The debt that was incurred in connection with the equipment was not wiped off until the middle of 1896, and the first dividend was 30 per cent., declared in December, 1896, and paid in February, 1897.

Average extraction of Henry Nourse.

The yield from this Company has been fairly uniform, and shows an average extraction from the start to the present day of about 82 per cent.

Working costs of Henry Nourse

The costs have been reduced from their maximum of 56s. 3d., to the minimum, 35s. 7d., shown in my table of working costs.

Even the present costs are high, owing to the small lateral extent of the property, which has necessitated the working through three shafts, and also to the fact that for the most part only one narrow reef has been worked, and 25 per cent. of the rock hoisted from the mine sorted out as waste; the rock has also been exceptionally hard. The small dip area for the major extent of the mine is due to the fact that, on starting, the conglomerate beds showed a declination of about 80 degrees, which would allow mining to be conducted at considerable depth before reaching the southern boundary.

The beds, however, within a horizontal distance of 240 feet have gradually changed their dip to 46 and 50 degrees, thus permitting the deep level company to commence mining operations at a comparatively shallow depth.

Capitalisation of City and Suburban Company.

CITY AND SUBURBAN G. M. CO.—This Company was formed in 1887 with a capital of £50,000 in £1 shares, of which the vendors received £30,000, and then certain other interests were acquired, reducing the working capital from £20,000 to £8,900.

The capital was increased in

1888 by	1,000	shares,	realising	...	...	£15,548
1889 by	5,000	„	„	...	...	62,950
1892 by	10,000	„	„	...	...	65,000
1893 by	10,000	„	„	...	...	86,250
So that the total working capital subscribed amounted to						£238,648

It must also be added that in 1895 the capital, which then stood at £85,000 in £1 shares, was transformed into 340,000 shares of £4 each.

Number of claims.

The mining area of the Company is 150 claims (about), of which about 20 claims have been worked out up to end of 1896, including poor ground and pillars. The total tonnage crushed up to this period is 670,463 tons, and the gold bullion recovered from same, 428,794 ounces.

Receipts.

The total cash receipts from all sources have been £1,838,484
and the total cash expenditure on property, development, equipment and working expenses to end of 1896 1,559,695

Profits.

leaving a profit of ... £278,789
out of which £251,661 has been paid in dividends to shareholders, and the balance of £27,128 is represented by cash, stores on hand, etc.

Equipment.

The equipment of the mine, the cost of which stands at £524,110, includes the development of ore reserves, amounting to 375,895 tons.

The first 10-stamp mill started crushing in August 1887, to which was added another 10 stamps in June, 1888. In May, 1891, a new 30-stamp mill was started, to which was added the first 20 stamps two months later. This 50-stamp mill worked on till November, 1895, when it was finally closed down, having been replaced by an improved plant of about 80 stamps started in July, 1894; 40 stamps were added to the latter in July, 1895, and in September following a further 40 stamps, making up 160 stamps at the new mill. The full plant, however, was not worked until July, 1896, owing to inadequate supplies of native labour.

Cyanide works.

Cyanide works were started in 1893 to treat the product of the 50-stamp mill and the accumulation of tailings prior to that date. In July, 1894, a new cyanide direct-

filling plant in connection with the new milling plant was started, which has since been extended for the treatment of coarse sands and concentrates, and double treatment has been adopted.

Increased extraction of.

As no systematic samples of the ore were recorded prior to 1892, figures are not at hand to supply the percentage of recovery previous to that year. In 1892 the recovery by amalgamation only was 59·596 per cent. of the value of the ore crushed, which has been raised to 81·95 per cent. for 1896 by mill and cyanide, showing that with improved methods the extraction has been increased by 22·36 per cent.

Reduced working costs of.

It will also be noted that the working expenses have been reduced from 60s. 4·56d. per ton in 1887 to 26s. 3·91d. per ton in 1896, due to the improved method and appliances of mining and milling, and ore treatment, and working on a large scale, thus now making it possible to work profitably lower grade ore than formerly.

CROWN REEF.—Taking this company next, which in early days was considered only a low grade mine, though having two very regular reefs running through it with an average stoping width of 4ft. each.

History of Crown Reef.

Its history can be summarised as follows:—

This company was formed on the 1st April, 1888, to acquire the lease of a mijnpacht on the farm Langlaagte from a private syndicate. It had an issued share capital of £100,000, in £1 shares, of which amount £14,000 was working capital. The share capital of the company was increased to £106,000, in 1890; to £110,000 in 1892; and £120,000 in the latter half of 1892; the profit from the sale of shares being utilised to equip the property.

Equipment.

The milling power of the company was 30 stamps at the start. This was increased by a new mill of 40 stamps in 1890. To this mill a further 20 stamps was added in 1892. These two mills were replaced by a new mill of 120 stamps, with complete cyanide works in 1894, and slimes plant in 1896.

Capital expenditure.

Up to March 31st, 1895, the company had expended on capital account, buildings, machinery, and plant, dams and reservoirs, etc. ... £308,963 0 9

Purchase of freehold rights	26,009	0	0
Sinking main shafts and driving main cross cuts ...	62,521	7	3
	£397,484	8	0
Besides this, mine development, charged to working expenditure, cost	58,850	16	9
	£456,335	4	9

Revenue and expenditure.

Since that time all expenditure has been charged against revenue account, and capital account has ceased entirely. During the two years ending 31st March, the company has expended for:—

Sinking main shafts and driving cross-cuts ...	£21,618	9	2
Mine development	64,674	10	10
Buildings and additions to plant	6,433	18	0
	£92,726	18	0
Amount brought down from above	456,335	4	9
Making a total of	£549,162	2	9

Reserve ore.

The amount expended on development and sinking main shafts brought 1,495,550 tons of ore in sight, of which 442,859 tons are in reserve ready for stoping.

Increased extraction.

The company originally recovered only 57 per cent. of the value of gold in the ore, this value being arrived at by the addition of the assay value of the residues to the total gold recovered.

This percentage has been increased gradually up to 86 per cent., which is the extraction for the last half of the financial year ending March 31st, 1897, when a slimes plant was added to the already existing equipment of mill, cyanide, and concentrating plants.

Working costs.

The company first got its rock from open trenches which was a cheap method for a time. During the second year of its existence it started actual underground work. The total costs, exclusive of capital expenditure for that year, averaged £1 13s. 7d. Last year with the additional cost of three separate secondary treatments, the costs, inclusive of capital expenditure, were £1 8s. 5d. Although the mining costs have shown no great reduction, the milling costs have been reduced from 11s. in 1890, to 3s. in 1896. The position of the property in 1890 was most exhaustively dealt with in a report by myself, which deals fully with the difficulties and imperfections of gold recovery on these fields.

Yield.

Leaving out of account the first year of the Company's returns, which was abnormal, the yield per ton has been fairly constant, though slightly increasing during the last two years, and varies from £1 15s. 6d. during the second year to £2 7s. 2d. for the last financial year.

Capitalisation of Geldenhuis Deep.

THE GELDENHUIS DEEP, LTD.—This Company was formed in January, 1893, with a capital of £350,000 in £1 shares. The vendors received 175,000 shares, while 90,000 shares were issued for working capital, realising £94,500, and 85,000 shares were kept in reserve.

Number of claims.

The property consisted of 212 claims, and work was commenced at once.

Debenture issue.

Cost of equipment.

In 1894, it was found advisable to issue debentures to the amount of £160,000, and in 1895 15,000 out of 85,000 reserve shares were sold, realising £103,474 15s., and further sums were gradually borrowed to complete the development and equipment, on which, altogether, about £410,000 will be spent. This is the cost of putting the mine on a paying basis, and, after all the experience gained in former years there can be no doubt that the works here, as well as at other subsidiary companies of the Rand mines, are of an extremely high order. The mistakes of early days have been avoided as far as possible, and every effort has been made to introduce the latest improvements.

Initial yield.

The mill started crushing towards the end of 1895, and the early results were poor and unsatisfactory. During the last three months of that year the yield was only 18s. 2d. per ton, while the costs were 26s.

Increased yield.

In 1896, the yield was raised to an average of 27s. 4d., with working costs of 25s., while for April of the current year, the working costs, including sorting, were 26s. 5d. per ton, the yield 37s. 3d., and the monthly profit, £9,018.

Rand Mines.

The Geldenhuis Deep is only one of the subsidiary companies of the Rand Mines, Ltd., which, as shown by the last Annual Report, has seven other important companies already in course of development and equipment, and expects to require £3,630,065 to put them on their initial running basis of 710 stamps, with the intention of eventually increasing them to 1,300.

The total nominal capital of the eight companies is £3,607,391, a sum almost identical with the amount of cash estimated to put them on an earning basis.

I trust that I have not wearied you with all the details I have given you concerning the history of these mines; I have laid everything so fully before you in order to show you what has been the work of one group of capitalists on these fields. I do not for a moment wish to imply that our firm has been the only one to achieve

brilliant success, as you have been already, or will be, informed by the representatives of the other houses regarding the good work done by them.

Comparison of depression in 1890 and in 1897.

You will have seen from the struggling history of many of these companies, that after the early boom of 1889, there was a most serious depression, during which all the mines suffered, but it was during this very depression that the foundations were laid, by means of hard, earnest and intelligent work, of the revival which followed in the year 1895. We now again are experiencing a period of the most acute depression after the recent boom, but there is an enormous difference (which I cannot too strongly impress upon you) between the position and hopes of the industry at the present moment, and during the preceding relapse. In 1890 the industry was still young, it was undeveloped, and there was, as I have endeavoured to show, immense scope for improving mining results, both as regards working costs and extraction of the gold.

Government co-operation necessary to reduce working costs.

Now, in 1897, the class of machinery on these fields can be considered the most perfect of any gold fields in the world; the various processes dealing with the extraction of gold are rapidly approaching practical perfection, and our working costs have been decreased until we can scarcely reduce them further without the Government's help; with this help however, we can still make great reductions.

Profits put back into mines.

I have tried, and I cannot too earnestly try, to impress upon you that the very men who in the early days obtained their profits from rich mines like the Robinson and Ferreira, freely put back this money into other mines, like the City and Suburban, the Henry Nourse, and the New Heriot, then struggling under the greatest difficulties, and after reaping the fruit of their energy and intelligence here, again turned their resources to gigantic enterprises like the Rand Mines.

Before pursuing further the investigations of these fields, I desire in a way to compare the yield, cost, etc., shown in the foregoing statements, with those of other gold mines in the world.

Working conditions of different mines.

It must be remembered that to make comparisons applicable, the conditions under which work is carried on must be taken into account. Even comparing the twenty-nine different mines in the foregoing list, it will be found that different conditions exist. Some companies sort their ore, and others do not; some work only one reef, others two or three, varying in thickness, hardness, etc.; it is obviously unfair, for instance, to compare the costs of a company exploiting, for the most part, only one thin reef, and sorting out 40 per cent. of its rock, with a company which is not sorting and working two reefs averaging ten or twelve feet in thickness. The scale on which work is conducted must also be taken into consideration, and it is presumable that companies with large stamping power should have an advantage in working costs over those of much smaller power, and companies who are treating ore by two or three secondary processes should be under a disadvantage when comparing costs with those employing only one or two. It will be noticed that the average stamping power of the twenty-nine companies is about eighty-five stamps per company.

I will commence with the Alaska Treadwell Mine, the annual report of which company for 1896 I beg to put in evidence.

From this report the operating costs are seen to be as follows:—

Working costs of Alaska Treadwell G. M. Co.

Operating costs on 263,670 tons (all construction charged directly to operati

	Dollars per ton of ore.	Shillings per ton of ore.
Mining	·5491	2·29
Milling	·3476	1·45
Chlorination	·1138	0·47
General Expenses (Douglas Island)	·0819	0·34
" " (San Francisco)	·0218	0·09
London Office Expense	·0112	0·05
Bullion Charges, Freight, Insurance, &c. ...	·0372	0·15
Total operating costs	1·1632	4·85
Net profit for year	1·8862	7·86
Total Yield	3·0494	12·71

The Wages paid were as follows:—

	Per diem.	Per diem. s.	d.
Miners, with board and lodging	2·50	10	5
Labourers " "	2·00	8	4
Drillmen, with bonuses and board and lodging (Summer)	2·50	10	5
Drillmen, with bonuses and board and lodging (Winter)	3·00	12	6
Indians (paid daily	2·00	8	4

MILLMEN.

	Dollars per month.	
Concentrators, with board and lodging	65·00 to 100·00	£13 10 0 to £20 16 8
Feeders " "	70·00 to 100·00	14 11 8 to 20 16 8
Amalgamators " "	90·00 to 100·00	18 15 0 to 20 16 8

CHLORINATION WORKS.

	Per diem.	Per diem. s.	d.	s.	d.
Roasters, with board and lodging	2·50	10	5		
Roasters (helpers) "	2·00	6	4		
Floormen "	2·00 and 2·25	8	4 and	9	4½

MACHINE SHOP,

	Per diem.	Per diem.			
Mechanics, with board and lodging	2·00 to 6·00	8	4 to	25	0
Blacksmiths "	4·00	16	8		
Blacksmiths' helpers "	2·00	8	4		

Favourable working conditions of Alaska Treadwell G. M. Co.

The Alaska Treadwell Company, however, is situated on an island with a harbour. The mill is near the ocean, with the tailings running into the water, a worked by water power for the greater part of the year; the lode varies in thick from 50 feet to 426 feet, and the mining is more or less quarry work. The nu of stamps is 240. The mine is most favourably situated for obtaining supplies at rates, as is shown by detailed account, which I beg the Commission will compare the rates of similar supplies on these fields, especially dynamite.

The following table is roughly made out to show the relative prices paid stores at the Alaska Treadwell mine and at the Crown Reef here for 1896, on basis of the amount used at the former mine:—

Comparative table of prices for stores at Crown Reef and Alaska Treadwell G. M. Cos.

ARTICLE.	AMOUNT USED.	ALASKA PRICE.	CROWN REEF PRICE.
Dynamite	200,089 lbs.	5,134 11 2	17,354 12 2
Fuse	14,314 coils.	474 5 0	268 7 9
Caps	75,182	168 5 0	150 8 0
Timber	14,909 cubic ft.	482 0 0	3,168 2 0
Steel, Mining	25,519 lbs.	429 16 5	637 18 0
Oils	6,545 gallons.	428 3 5	1,309 0 0
Candles	272 boxes	177 15 0	145 0 0
Mortars	2	96 0 0	304 0 0
Mortar Liners...	58,058 lbs.	756 12 0	1,209 10 10
Cam Shafts	3	59 4 0	52 10 0
Guide Blocks	120 pair	22 16 0	856 0 0
Shoes and Dies	151,922 lbs.	2,178 17 3	2,278 16 8
Screens	1,300 sq. feet	109 6 0	97 10 0
Heads	12	49 16 3	78 0 0
Sulphuric Acid	328,000 lbs.	1,000 0 0	4,100 0 0
Salt	455 tons	790 8 6	2,733 0 0
Bar Iron	63,503 lbs.	275 9 6	529 3 10
Lead	1,461 lbs.	18 4 6	52 11 6
		12,651 10 0	35,324 10 9

Cost of total stores per ton milled at Alaska Treadwell G. M. Co.

If the same proportion exists for the balance of the stores used by the Alaska Treadwell which are not classified above, and which amount to further £3,500 exclusive of coal, these total stores costing £16,100 in Alaska on the above basis of prices, here amount to about £45,100, thus increasing their costs by £29,000, and the total cost per ton at the Alaska Treadwell Mine by 2s. 2d. on the tonnage milled: 263,670 tons.

Cost of total stores per ton milled at Crown Reef G. M. Co.

On the other hand, if the Crown Reef Company had been able to obtain its stores last year at the above prices ruling in Alaska, their supplies, exclusive of coal, which actually cost them £85,100, would only have cost £30,500, which would be a saving of £54,600, or no less than 5s. 6d. per ton, on their tonnage of 198,236 tons.

	CROWN REEF.	ALASKA TREADWELL.
		1 dol. = 4s.
Tons crushed	198,236	263,670
Pounds of Dynamite used per ton crushed ...	1·10	0·76
Tons mined and milled, secondary treatment and general expenses per man per day	0·31	4·14

Comparative working costs of Alaska Treadwell and Crown Reef G. M. Cos.

	Crown Reef.				Alaska Treadwell, 1 dollar—4s.			
	Cost per ton Milled.			Per cent. of total cost.	Cost per ton Milled.			Per cent of total cost.
	£	s.	d.		£	s.	d.	
Labour, total white and black, including food...	0	15	6	57·98	0	2	11	63·78
Coal	0	2	7	9·79	0	0	5	8·57
Dynamite	0	2	5	9·11	0	0	5	8·37
Cyanide Zinc and Royalty...	0	1	8	6·35		—		—
Timber...	0	0	5	1·55		—		0·79
Steel, Mining	0	0	4	1·32		—		0·72
Oils	0	0	3	0·87	0	0	1	0·92
Candles...	0	0	4	1·20		—		0·23
Mill Spares	0	0	5	1·52	0	0	4	6·54
Fuse and Detonators	0	0	2	0·57		—		1·02
Trucks, Wheels, and Rails...	0	0	2	0·69	0	0	1	0·01
Pipes and Pipe fittings	0	0	1	0·36		—		0·50
Sundry Stores, General Expenses / Electric Light and Drill Spares	0	2	4	8·79	0	0	2	3·46
Chlorination Supplies		—		—	0	0	3	5·09
Total cost per ton	1	6	8	100%	0	4	8	100%

This shows that the relative proportion of cost for labour at the Alaska Treadwell is somewhat higher on a percentage basis than at the Crown Reef, and also that the great lowness of cost is, in addition to the cheapness of supplies, due to the fact that the tons mined and milled per man per day are in a ratio of thirteen to one at the Crown Reef.

Working costs of Deadwood Terra G.M. Co.

The next comparison of cost I wish to make is that of the Deadwood Terra Gold Mining Company, Dakota, U.S.A., given me by the manager of the Geldenhuis Deep, who, previously to coming out here, was manager of this property. It was on account of the remarkably low costs ruling there that we were induced to obtain his services here on the Rand.

The total Mining costs of this company in 1895 are shown to be 1·37 dollars, made up of:—

Mining ... ... 88·539 cents = 3s. 8d.
Milling ... ... 48·861 cents = 2s.

Yield of Deadwood Terra G. M. Co.

The yield of the ore being 1·74 dollars — 7s. 3d. per ton.

If it interests you, further particulars can be obtained from the manager of the Geldenhuis Deep. He informed me that the width of the lode varied from 25 to 75 feet, the deepest shaft was 600 feet and no secondary treatment was used. The fuel was coal obtained by rail, and ruling rates of wages were as follows:—

MILLHANDS.

Engineer	2 at 3·00	per shift	of 12	hours.	
Foreman	2 „ 2·50	„	„	„	„
Foreman helper	1 „ 2·00	„	„	10	„
Amalgamators	2 „ 3·50	„	„	12	„
Amalgamators	4 „ 3·00	„	„	„	„
Feeders	2 „ 2·50	„	„	„	„
Oilers	2 „ 2·50	„	„	„	„
Carpenters	1 „ 3·50	„	„	10	„
Carpenter helpers	1 „ 2·50	„	„	„	„

Wages at the Deadwood Terra G.M. Co.

Miners in Deadwood Terra mine received 3·00 per shift of 10 hours and shovellers 2·50.

In the Homestake and Highland mines and mills all of this labour is paid 50c. per shift more.

Wages at Homestake and Highland mines and mills.

The Deadwood Terra mine ran 160 stamps.

Regarding the gold mines of California the total costs in some of the principal mines vary from 10s. to 38s. per ton, depending on local conditions.

Working costs of Californian gold mines.

Mr. Leggett, a more recent arrival than myself, can give you fuller particulars.

The next comparison of cost I wish to put in evidence is taken from *Mineral Industry*, page 312, in which it states:—

"Mount Morgan Mine reports for 1895, the cost of working last year was almost 12 dollars a ton."

Working costs of Mount Morgan mine.

Mine Industry, 1895, same page:—"Mysore Company in India treated 60,654 tons, and cyanided half the tailings; cost, 9·50 dollars per ton." *Mineral Industry*, 1895, page 319:—"Milling in four districts in U.S.A. is averaged by P. A. Richards as under:—

Working costs of Mysore Co.

Black Hills	70 cents a ton.
Gilpin	75 „ „
Grass Valley	80 „ „
Amador	46 „ „ (soft ore)."

Milling costs in some mines of the United States.

Taking the average of the first three districts, we get 75 cents a ton, or 3s. This is practically the same as the Crown Reef cost for the past two years, including stone crushing.

From this it is seen that the average cost of milling in the Black Hills, Dakota, and the Gilpin Country, Colorado, and Grass Valley and Amador Country, California, is 2s. 10d. per ton, and the mining cost is not given, but varies with local conditions and the width of the lodes.

Average milling costs in United States.

EL CALLAO.—The next comparison is a table of results showing the genera operations of the El Callao Company from its formation up to June, 1894.

El Callao mine.

Work was first started in 1870 on a small scale, and by people who had no previous experience in mining. The yield per ton is seen to have varied from 5·66 ozs. in 1884 to 0·6 ozs. in 1892, the average for the whole period being 2·03 ozs., or 155s. per ton.

Initial working and yield.

Table showing the General Results of the operations on "EL CALLAO" Lode, since formation of the Company.

PERIODS.	Lode area worked on incline square metres.	Lode Average thickness metres	Ore Gross Yield in Tons.	Gold Gross Yield in Ozs.	Gold Yield per Ton Ozs.	Gold Gross Yield Value.	Gold Yield per Ton Value.	Mining Costs per Ton.	Milling Costs per Ton.	Miscellaneous Costs per Ton.	Total Cost per Ton.	Total Dividends Paid.
						£	s. d.	s. d.	s. d.	s. d.	s. d.	£. s. d.
1870 to March 11, 1881 ...	22,102	1·52	91,046	318,855	3·50	1,218,115	267 7	...	...	...	...	313,433 13 5
Mar. 11, 1881, to Dec. 31, 1883	15,461	1·60	67,073	300,650	4·48	1,148,700	342 6	...	...	...	149 2	497,886 4 11
1884	7,513	1·54	31,261	177,055	5·66	677,569	433 5	86 7	29 10	5 10	122 3	383,300 15 0
1885	8,949	1·94	46,868	114,500	2·44	435,040	185 8	59 1	20 4	4 5	83 10	181,429 0 5
1886	13,867	2·00	74,399	181,300	2·40	685,860	184 4	43 9	14 8	1 5	59 10	436,962 17 1
1887	13,273	1·75	64,215	73,872	1·15	282,000	87 10	45 10	7 3	1 10	54 11	58,772 15 7
1888	13,528	1·45	54,438	52,598	0·97	199,994	73 5	51 9	7 11	2 0	61 8	5,110 13 7
1889	9,755	1·68	56,389	52,973	0·93	204,134	72 4	42 5	6 3	5 2	53 10	20,442 14 1
1890	13,113	1·52	53,977	49,432	0·93	189,829	70 3	46 8	6 3	1 9	54 8	20,442 14 1
1891	16,321	1·33	59,284	34,774	0·59	132,270	44 7	32 8	5 0	2 1	39 9	
1892	13,825	1·40	52,823	31,931	0·60	120,297	45 6	33 3	5 0	3 1	41 4	
1893	11,000	1·36	40,085	34,537	0·86	131,559	65 8	32 10	6 3	7 0	46 1	
Jan. 1 to June 30, 1894 ...	3,048	1·40	11,607	8,417	0·73	32,063	55 2	45 9	6 3	1 8	53 8	12,697 6 8
TOTALS	161,755	1·54	703,465	1,430,894	2·03	5,457,432	155 2					1,940,478 14 10

The working expenses varied from 149s. 2d. per ton, which was the average for the first 13 years, to the minimum of 39s. 9d. in 1891, the total average being 53s. 8d. for the whole period. Working expenses.

The total gross yield from this mine is shown at £5,457,432, while the dividends declared have only amounted to £1,940,478, in spite of the phenomenal richness of the ore. This, with the exception of the Mount Morgan mine, can be considered to have been at one time the richest gold mine in the world. Yield and dividends.

The success of this mine induced capital to be invested freely in other lodes, which, however, were not of the same richness, though in many cases of as high a grade as that ruling on these fields, and 31 companies were started, which erected 758 stamps. At the present time the industry is almost dead; there are only ten stamps running on these fields, and these are working without a profit, and the celebrated El Callao mine has just closed down in debt to the extent of 150,000 dollars. Let us now enquire into the above high costs and final languishing of the fields. In the early history the discoverers worked on a very small scale with very little experience, and their immense costs are not to be wondered at considering the general political and climatic conditions. The Callao mine is situated about 150 miles south of the Orinoco River, in a latitude of about 7 degrees north of the equator, without railway communication, and with very bad roads, and in its early history was considered most unhealthy, so that high wages had to be offered to induce skilled men to come to the property. Initial success and subsequent failure of El Callao mine.

In 1884 a new *regime* was started, and high grade machinery with increased stamping power, and high grade men put to work, the Company giving them a free hand and every encouragement to do their best, and expenses were lowered in eight years from £6 2s. 3d. to £1 19s. 9d. per ton. The cardinal feature in this reduction was the improvement in machinery and mining methods, but another was the encouragement of negro labour obtained from the West Indian Islands. At first this class of labour was considered hopelessly incompetent, but by patient training and judicious graduation of wages in proportion to work done, it was finally possible to run the mine with 11½ per cent. of the white men originally required, and the blacks were better able to stand the climate. The Government of Venezuela, which was not in sympathy with the alien mining population, believed in high and onerous tariffs, monopolies and concessions, and did very little to foster the industry, in fact tried in every way to extort as much as possible out of it. The present unfortunate condition of the mining industry there, is I think, in no small measure due to the attitude of the Government. The ruling rates of wages during late years, when good work has been done, are:— Introduction of high-grade machinery. Reduction of working costs on El Callao mine. Negro labour. White and black wages of El Callao mine.

White, average per month £35
(This does not include the Superintendent).
Blacks, per day ... ... 6s. 6d.

I would state in this connection that Mr. H. C. Perkins, late general manager of the Rand Mines, initiated in 1884 the better working and equipment of this mine. I succeeded him as superintendent in the latter part of 1887, and remained until the middle of of 1889. Mr. Webber, now general manager of the Rand Mines, succeeded me, and remained until he came here in 1891, and he in turn was succeeded by Mr. Searle, now manager of the Crown Deep, who remained until 1896. Mr. Searle, the most recent arrival from El Callao, will be best able to give you further details regarding the working of the mines and the Government of the country, should you desire them. Although now out of date as a treatise on the comparison of working costs, I wish to put in evidence an interesting little pamphlet published in 1886 by Mr. Hamilton Smith, who deals with the relative costs in the United States and Venezuela gold fields, and gives the relative conditions under which work is accomplished.

The table herewith which I incorporate in my statement, gives the substance of the comparisons, and is as follows:—

Relative working costs of United States and Venezuela gold fields.

Mine.	Period.	Average No. of Stamps.	Tons crushed in one year.	Average No. of Tons crushed by each stamp per month.	Costs of milling per ton in dollars.	Total costs per ton in dollars.	Costs of milling per ton in shillings.	Total cost per ton in shillings.
Sierra Buttes ...	1885	76½	54,493	59	·56	5·83	2·33	24·25
Plumas Eureka...	1885	60	55,973	78	·61	5·57	2·54	23·17
Homestake ...	1882-3	200	170,074	75	1·17	4·03	4·87	16·76
" ...	1883-4	200	191,505	80	1·21	4·19	5·03	17·43
" ...	1884-5	200	213,190	89	1·01	3·25	4·20	13·52
Father De Smet	1883	100	104,100	85	—	2·49	—	10·36
" "	1885	100	106,855	89	—	2·12	—	8·82
Caledonia ...	1885-6	—	48,848	—	·88	2·95	3·66	12·27
El Callao ...	1882	60	22,405	31	11·19	45·34	46·55	188·61
" ...	1883	60	24,750	34	—	44·33	—	184·41
" ...	1884	60	30,936	43	7·25	35·17	30·16	146·31
" ...	1885	80	47,223	49	4·98	21·96	20·72	91·35
" new mill	May, 1886	40	—	83	ab't 3	ab't 15	12·50	62·50
New Potosi	11 m'ths 1884	25½	7,456	27	—	46·96	—	195·35

I regret that I cannot put in more details of the working costs in other countries compared with the elaborate details given by me for these fields, although I have gone to considerable trouble to obtain further figures, but this is in accordance with the statement already made by me that information is more generously given here than in any other mining district in the world.

Milling costs on Rand.

From the figures, however, that I have given it is evident that our average cost of 3s. 8d. for milling (some companies running under 3s.) compares most favourably with the milling costs of other mines in the world, working under similar conditions, and speaks eloquently for the excellence of our machinery and mill organisation,

when the high price of labour and supplies is taken into consideration, and when we have to conserve and pump our mill water. These milling costs can still further be reduced, but only in items of labour and supplies. To show the improvement in milling on the Rand since 1890, I would state that I had cause to examine a mill of 100 stamps in that year, at which the milling costs were 10s. 2½d. per ton, not including cost of shoes and dies, the number of white men employed being 29, and the number of black 188.

The number of men employed to-day at the Geldenhuis Deep mill (155 stamps) is about 20 white and about 20 black, including engine-men.

Cyanide costs of these fields are not comparable with any others at my disposal, but may safely be assumed to be the lowest in the world. The main costs are seen to be in mining, including mine development, the average amounting for the 29 companies to 17s. 7·12d. per ton. This is abnormally high, and is the department in which our principal future reduction is to be made. This department has little to expect from improved machinery, and the main hope of reduction lies in increasing the efficiency of labour or decreasing its wage, or both, and also in decreasing the cost of all supplies, especially dynamite and coal.

Cyanide costs on Rand.

Development costs on Rand.

Before leaving this subject I wish to state that a mere reduction in working costs is not the only thing to be aimed at, as I believe there is still considerable scope for raising the yield by extending and improving the system of sorting in vogue at some of the mines, and mining underground a minimum amount of waste. In this way an apparently higher cost per ton on the basis of the tonnage milled might be shown while actually cheaper work was being done, but larger profits would result. Mr. Johns, who is the pioneer of this system on these fields, can give you better information than I, though I also have been, and am introducing it at all the mines with which I am connected. I roughly estimate that now, for the 29 principal mines, not over 8 per cent. of the ore is sorted, and I think in time this figure will be more than doubled. The only further improvement I see possible from an engineering point of view, is the introduction of slimes treatment throughout the mines.

Sorting.

This will be an expensive matter with the freight rates, etc., ruling here, and will probably cost for plant approximately between £120 and £200 per stamp, according to the size of the mill. The increase of yield and profit will depend on the grade of the slimes leaving the mill, which varies in the case of every mine, and in some cases may not warrant the expenditure of erecting such a plant.

I have included in this portion of my statement an immense amount of figures which have been compiled with great care, but owing to the short space of time which I have had at my disposal in drawing this up, it is possible that a few small errors may have occurred, and if so I hope I shall be informed of the fact by the gentlemen on the Commission, as I do not wish a few possible clerical errors to vitiate any of the arguments I am advancing.

I have already explained that the engineer is about at the end of his tether as regards further improvements under present conditions.

From the analysis of working costs on labour and supply basis, it is evident that labour is the most vital point of all, and the point towards which our chief attention must be directed.

The summary of my statement for six companies shows that labour figures on a basis of total costs per ton as follows:—

Cost of labour.

White labour	8s. 7·78d. per ton.	30·18 per cent.
Black „	6s. 9·62d. „	23·73 „
Kaffir food	1s. 2·24d. „	4·14 „
	16s. 7·64d. per ton.	58·05 per cent.

Cost of labour in 1895.

The State Mining Engineer for the year 1895 gives

White labour at	... ...	34·3 per cent.
Black „	... ...	28·6 „
		62·9 per cent.

Percentage of cost of labour on working costs.

Taking the mean of these two estimates, we have, roughly speaking, 60 per cent. of our working cost appearing under the item of labour.

Proportion of white and black labour.

Now, what have we to face in our labour problem? It is, first, that our labour is accomplished in the proportion of, roughly, 1 white man to 8 or 10 black. Some of the white labour is the best that money can command, and is culled from all over the world. It is very highly paid when compared to labour in old-established countries where climatic and general conditions are favourable, but when compared to new fields, to which men only go for high wages, it is not excessive, as shown by the statement made by Mr. Seymour with regard to the price of labour in Nevada, Montana, and British Columbia, and also by the figures I have myself already given of wages in other districts.

I now give a tabulated statement showing the average daily wages paid to the employees in the older mining districts of various countries:—

Miners' wages in various countries.

Country.	Mines.	Average, Surface.	Average, Underground.	Reference.
Belgium,	Coal	2s. 3·8d. to	2s. 11·7d.	Engg., v. 20., 1888-9-90
Bilbao, Spain,	Iron	1s. 6d. to 2s. 6d.	2s. 6d. to 3s. 4d.	Engg., v. 44, p. 271
Durham, Eng.	Coal	2s. 6d.	3s. 8d.	Engg., v. 53, p. 413
France,	Coal	2s. 4d. to 2s. 10¼d.	3s. 1½d. to 3s. 11d.	Engg., v. 53, p. 413
Germany,	Coal	2s. 2d. to 3s. 0d.	2s. 4d. to 3s. 3d.	Engg., v. 53, p. 413
Hungary,	Coal	0s. 10d. to 1s. 2d.	2s. 0d. to 2s. 6d.	Engg., v. 54, p. 179
United States:				
California,	Gold	4s. 0d. to 8s. 0d.	10s. 0d. to 12s. 0d.	Approximation.
Georgia,	Coal	3s. 10d. to 4s. 0d.	6s. 0d.	Engg., v. 52, p. 582
Pennsylvania,	Coal	4s. 9d.	5s. 0d.	Engg., v. 53, p. 413

NOTE.—In Hungary and Spain the number of hours per week is, in summer, as high as 72; while in the other named countries the hours vary from 54 to 66. In the American coal mines, the average number of days worked in 1894 was only 210, but wages are based on the actual weekly payments, divided by six.

Miners only temporarily resident.

Mr. Goldmann's statement regarding 3,620 miners on the fifty-three companies, Witwatersrand goldfields, is food for serious reflection, showing that 54 per cent. of the men are single, 33 per cent. are married, with their families in other countries, and the small balance of only 13 per cent. consists of married men with their families here.

What does this mean?—It means that the majority of the men have come out here simply attracted by the high wages, and have not deemed it advisable owing to the condition of the country to make it their home. Other witnesses have shown how wise they were in so doing owing to the great cost of living prevailing here.

Reduction of white wages.

What would it mean if we materially reduced these men's wages? Would it not be that the best men for the industry and the Republic, and those whom we are most anxious to keep, would leave, and we would be left with the improvident, and those who could not command work in their own country?

Native labour.

Now, regarding the native labour, which comprises in numbers by far the greater proportion of labour we are using. What has been the keynote of our trouble? Lack of supply in proportion to the demand, and inefficiency and ignorance of this class of labour which is not trained to the intricate work demanded of it. Far more

skill is required of the kaffir on the Witwatersrand than is the case for the most part on the diamond fields, or in any agricultural pursuit in South Africa. The boys come here raw, some very young, often with weak physique, and are all comprised in the same classification. They are accustomed to their own simple ways, and desire to return to them as soon as possible. They come, in fact, only in order to make enough money to return to their kraals with sufficient means to enable them to marry and live in indolence. There is much latent possibility in them for learning, but they leave us often as soon as they become really useful, and by the various companies vieing with each other to obtain their services, they have become masters of the labour situation. If they had facilities for making their homes in this country, and if they could be induced to remain with us, I am satisfied that their efficiency could be increased two-fold, and they could even be trained to do much higher grade work than they are now employed at. This fact is illustrated in these fields by the boys who have worked long periods being able to finish their task in half the time that raw boys require, and this illustration is further strengthened by the well-known evolution of the negro in America since the abolition of slavery, and also by my own experience in dealing with the West Indian negro in Venezuela.

Inefficiency o native labour.

Possible efficien cy of nativ labour.

The Pass Law and Liquor Law have been modified and strengthened, on the petitions of the industry, to give more control to the mining companies in dealing with this class of labour.

Pass and Liquo laws.

These laws, though not perfect, are good and useful if well administered.

But what is the testimony already brought before you in this regard?

Witness after witness has testified to the unsatisfactory manner in which they have been carried out, and the elaborate tabulated statement, brought in evidence of the seventy-four companies, is eloquent on the subject of the Liquor Law, whose maladministration is a great source of loss to the companies, danger of life to the natives, and discredit to the Republic.

Maladministra tion of Pas and Liquo laws.

If you should desire further evidence on this subject, I would ask you to call Mr. A. Grant, manager of the Nigel Mine, who can give, I believe, even stronger testimony than any before you.

Regarding the Pass Law, there has been, as far as I am aware, no witness yet before the Commission who has stated that this law, as administered, had benefited his company, and Mr. Goldmann has informed you that out of thirty-three companies employing 19,000 boys monthly, 14,000 have deserted since the new Pass Law came into operation, without one single one of these deserters having been brought back to the mines and justice. In my opinion, the Pass Law, though good as a temporary expedient, is only the kindergarten of the native question, and before these fields can ever reach their maximum possibilities, the whole question of native labour must be dealt with on broader and more liberal lines, and modifications and suggestions in regard to it must be constantly expected by the Government.

The medium and lower grades of white labour here have to a great extent been demoralised by the black labour; and although there are exceptionally energetic and earnest white workers here, there is a lot of indolence and incapacity shown by many. The majority, although they may have skill in doing work themselves, lack the faculty or interest in getting the best work out of the black labourer.

Inefficiency o inferior whit labour.

What we require from both black and white labour is greater efficiency, which, if really obtained, renders rate of wages a secondary consideration, as shewn by the bonus system in sinking deep level shafts. Of course, we desire to get the unit of wage as low as is consistent with the contentment of the labourer.

Bonus system.

What the management of the mines must aim at is to encourage in every way the efficient man, and give him every preference and advantage over the inefficient man, and

to elevate the quality of native labour, which at the same time will justify a greater rate of wages being paid to the whites. Contracts, piece work, bonus systems, and uniformity in accounts should be encouraged, and the companies should not strive to make statistical records of low wage rates, but rather accomplish cheap results judged by work actually done.

Co-operation of Government necessary to lower white wages.

The Government on its part should endeavour to lessen the good workers' living expenses, and make them interested in the welfare of this country, so that they will be satisfied to remain here, and be contented with a lower wage.

Co-operation of Government necessary to encourage native labour.

The Government should also do everything to bring about an abundant supply of black labour, and give the mines reasonable control of it through the proper administration of the Pass Law and all other laws connected with the native question, and should encourage this labour to the utmost extent, realising its vast importance to the prosperity of these Fields and to this Republic.

Dynamite costs.

The next item figuring on our expenditure sheet is dynamite, 2s. 10·3d. per ton, and 9·92 per cent of the total cost. So much evidence has been already brought up by various witnesses on this subject that there is very little further to be said as regards the price at which dynamite can be landed here free of duty. I, however, am in a position to state that in February last I had an offer from reliable people in America of dynamite (70 per cent. nitro-glycerine) to be delivered to any port in South Africa at 17 cents per lb., or 35s. 6d. per case of 50 lbs., in large quantities. With landing charges, agents' fees, railage, colonial duty, etc., the price would be raised to 42s. 7d. per case, delivered in Johannesburg free of Transvaal duty. This price would practically save 50 per cent. on the present price of dynamite No. 1, or 1s. 5d. per ton on the basis of the tonnage milled. There is, however, a great deal more to be said on the subject of the Dynamite Concession than mere £ s. d., and I believe I am the first witness that has dealt with the subject from this standpoint; and, after all, it is the main standpoint, as this concession, yea, and the principle of concessions, is one of the fundamental causes which have brought about the estrangement between the original population of this country and the uitlanders.

Price of imported dynamite.

Concessions.

Take the Government Volksraad Dynamite Commission's report on the subject of dynamite, and it is there stated that the main articles required for dynamite manufacture are not found in this country, and that the concessionaires have not adhered to the terms of their contract. What justification is there then in fostering such a manufactory, especially in the early struggling stages of the mines, which are the main source of revenue to the whole country, and the essence of its prosperity? Take the concessions as a whole, what justification, intrinsically, is there for them at all? What nations are the most prosperous, and which of them have concessions?

I speak feelingly and knowingly, as an American. Although we have protective tariffs to foster industries, we have the most complete internal system of free trade. There is no such thing known as a trade concession in the United States of America

Evils of concessions.

What is there vitally wrong about a concession? It seems to me the crux of the whole thing is that it places the production of an article of necessity in the hands of a few, who are given opportunity to profit by the necessities of the many. The many rebel against this principle, and the Government reaps inadequately, and derives little benefit from the burden it imposes on its people. Vexations crop up on all sides; excuses from managers and directors as regards working costs; excuses from directors to shareholders, and general ill-feeling and destruction of confidence; these are the results of concessions.

In order to keep their concessions, concessionaires are tempted to use every specious device of argument to the Government to continue their profits. It gives opportunity to unscrupulous persons to play upon the best and worst motives of

your people, and it is wrong in principle and in practice. This general line of argument can be applied to all the concessions in your country.

The Chairman's patriotic suggestion to manufacture machinery, etc., in this country, and thus to give employment to a far greater number of people, is, I think, a most dangerous one, though made with the best intention. It might be taken advantage of, and new burdens in the shape of concessions would then be imposed upon us. There is no doubt that if our population were such that we were ripe for the manufacture of machinery, it would be an excellent thing, but to produce at enormous cost the raw materials, and to manufacture all the complex machinery now required, would take almost a larger number of white men than is now actually employed at the mines, and the initial stages of such an industry could only be rendered a sufficient inducement to capital by heavy protective duties, and consequently immense further taxation of the mines. Let us first get our full growth before such a thing is earnestly considered, and then also allow every form of healthy competition. Manufacture o machinery.

Referring to the table of analysis which we have already dealt with, we find that we have dealt with about 68 per cent. of the mines' total costs. General charges figure at 5·22 per cent., which cannot well be further detailed, so that we have then 26·81 per cent made up of supplies, exclusive of dynamite remaining. Railway rates.

It is then in this item of 26·81 per cent. of our total costs, as well as on the 4·14 per cent. for kaffir food, already included under the heading of labour, that the railway charges have the most direct bearing. Previous witnesses have gone into great detail with regard to this railway question, giving all manner of comparative figures and suggestions, besides dealing with capitalisation, profits, etc. Mr. Fitzpatrick has shown you that if the English rates of ½d. per ton per mile for coal had prevailed on the Netherlands line, 5s. 8½d. per ton. of coal, or about a 1s. of our total costs per ton of ore milled, would have been saved; while Mr. Seymour has shown that by reducing the present rates per ton per mile to 1¾d. without terminal charges—which rate would still be five times higher than in America, and by employing side discharge trucks, and so doing away with bagging—a yearly saving to the industry of £407,500 would be effected. I would emphasise that this saving would be on coal alone; and if the rate per ton per mile for all other goods were reduced to the basis of other countries, and the Government used its influence with the other South African railroads to effect a similar general reduction, our supplies (notably timber) could be obtained at an enormously cheaper rate, the reduction varying as shown by Mr. Albu and other witnesses from 20 per cent. to 40 per cent. Railway rates on coal.

I see no new facts that I can bring before the Commission in this matter, and I will now simply touch upon it from the standpoint of an engineer, and take the general rates of transport per mile as given by Mr. Seymour, selecting machinery for the purposes of comparison, which is the most favourable for the Netherlands Railway. This shows:—

COST OF TRANSPORT BY RAIL IN PENCE.

Machinery—American	...	...	0·51	pence per ton per mile	...	1·000
„	Cape Railways	...	2·34	„ „	...	4·565
„	O. F. S. Railway	...	2·34	„ „	...	4·565
„	Natal Railways	...	3·04	„ „	...	5·931
„	Portuguese ...	...	4·07	„ „	...	7·940
„	Netherlands (Cape)	...	7·69	„ „	...	15·000
„	Netherlands (Natal)	...	5·06	„ „	...	9·871
„	Netherlands (Delagoa)		4·27	„ „	...	8·330
"	English Railways	...	1·12	„ „	...	2·190

Comparative railway rates for machinery.

I find from Mr. Dawsey's "Comparison of English and American Railways," and the Chamber of Mines Report, the following information, which I tabulate :—

COST TO BUILD RAILWAYS (OPEN FOR TRAFFIC).

Comparative cost of railway construction.]

1883—England	...	Cost per mile,	£41,846	0	0	Standard gauge.
1883—America	...	Do.	12,756	0	0	Do.
1895—Cape ...	...	Do.	9,056	9	1	Narrow gauge.
1895—Natal ...	...	Do.	15,254	17	9	Do.
1895—Netherlands	...	Do.	15,359	6	10	Do.
1896—Cape ...	...	Do.	9,406	15	0	Do.
1897—Orange Free State		Do.	7,479	4	6	Do.

From this it will be seen that the Netherlands Railway on their portion of the Cape Line charge fifteen times as much per ton per mile as the American railroads, while their cost of equipment is only in the ratio of £15,359 per mile to £12,756 in America, or a ratio of 1 in America to 1·247 on the Netherlands Line. I grant, as I have shown for our operating costs in mines, that it is more expensive to work in this country than in America, but nothing like in the ratio of 15 to 1. Why then is it permitted to keep up this ratio ?

Expropriation of railway.

If the Government has no control of the detailed working of the railway while the Netherlands Company has the management, by all means let it exercise its right to take the railway out of the company's hands, and run it more in accordance with the rates in other civilised countries. After all, a fair interest on the road-bed basis open for traffic, after deducting working costs, is, in a case like this, the right standard for fixing its tariff. The cost of transport by rail ought to be moderate in the Transvaal in view of the absence of heavy gradients, which would cause extra expenditure for tunnels, fills, etc., and of the lines having been laid to follow the natural levels and contour of the country, so that the length of railroads between two stations is often considerably greater than the direct distance between them in a straight line. These high rates are not only bad for the mining industry, but also for agriculture. The railroads in this country should form a potent factor in its development, by enabling the farmer to sell his produce in the market in competition with goods from other parts of South Africa, and if railroads and agriculture were both on a sound basis here, we should no longer see such an anomaly as we now witness—America, 10,000 miles away, supplying Johannesburg and the mines with mealies!—Australia, Sweden and Switzerland sending butter and tinned milk, and even California supplying a portion of the preserved fruit!

Railway rates for produce excessive.

In this connection, I beg to put in evidence a table taken from the *Statistician and Economist*, 1893-94, showing the relative value in 1892 of the different products of the State of California, where, as you know, gold mining which started in 1849 was the pioneer industry :—

Relative value of Californian products.

Products.			Value in Dollars.	£
1. Wheat	...	...	26,626,584	5,325,317
2. Gold	...	...	9,361,486	1,872,297
3. Wool	...	...	7,260,000	1,652,000
4. Grapes	...	...	4,844,331	968,866
5. Mealies	...	...	1,208,213	241,643
6. Oats	...	...	794,956	158,991

Co-operation of Government required to prevent gold thefts.

There is no doubt that the mines are suffering very serious loss in this direction, and that it is the imperative duty of the Government to aid in putting a stop to it.

The Gold Theft Laws should be amended so that there is no possibility of escaping justice through a mere technical quibble, and the police and detective department should be made more efficient; for it is certainly most discouraging that the Company which went to such expense and trouble in attempting to bring the insidious tempters of their tried and trusted men to justice should only reap as a fruit of its efforts the better advertisement of the business of illicit gold amalgam buying, illustrated by the escape of Hart, the lenient sentence of Hildebrandt, and the symyathy of a certain class said by the newspapers to be circulating a petition for Hildebrandt's release. Gold thefts legislation.

Several witnesses have most ably gone into this matter, and shown the peril of the Government and mining industry in this connection. It is a recognised fact that the mining industry is the chief source of wealth of the country, and through its development has made great demands upon the Government for facilities to work to the best advantage. It is therefore the duty of the industry to take upon itself the burden of taxation in proportion to the demands it makes upon the Government, and if there are a large number of mines working, this burden will be felt less than if only a few are kept running. I have endeavoured to show the vast natural resources of these goldfields, and how they differ from others in the world. Taxation.

A great impetus has been given to mining here, through the success of some companies, and in their wake have followed all manner of new mining enterprises; money has been forthcoming on the supposition that this was a permanent industry which would be encouraged and fostered, and that, with time, a continually lower grade of ore would be payable. I believe that, although the limit for further mechanical and metallurgical improvements is very narrow, there is still immense scope for the management of the mines and for the Government to reduce working costs through the medium of labour and supplies, and if the mining community and the Government work energetically and harmoniously together, I see no reason why in course of time the present costs should not be reduced by one-third, or about 10s. on the average basis of 29s. per ton. But this cannot be accomplished at once. It will take time and earnest efforts on both sides. If we show that we are effecting this reduction, and that the Government is earnestly helping us, capital will again flow into the country, new mines will be opened up and old ones re-started, and the revenue of the Government maintained and increased by renewed prosperity. But, if nothing is done by the Government, the comparatively few present working mines must directly or indirectly pay the whole or nearly the whole taxation of this country. The direct taxation is certainly small, but the indirect is extremely heavy; and it is obvious that these few mines are utterly unable to meet the enormous strain of supplying the Government with the necessary funds for its yearly expenditure, which in 1896 reached, according to the budget returns, the huge total of £4,500,000. The obvious result of this condition of affairs will be a deficit in the Government budget, and the strangulation of the mines. The evil day may be averted by loans, which the Government can only finance upon the assumed prosperity of the industry; and if the life is crushed out of the industry by oppressive direct or indirect taxation, it will be harder and harder for the Government to continue raising loans. If the industry has made mistakes in being over confident and launching out in a greater measure than was intrinsically justifiable, the Government has profited indirectly by this wrong and is party to it. Future reduction of working costs of mines. Government co-operation required to reduce working costs.

Now, this line of argument brings me to the main problem we both have to face, i.e., lack of confidence. You may wish to call this a sentimental grievance, but it is to my mind the most vital with which we have to deal. It would appear to a great many who have read the statements in the press, memorials of grievances and their Lack of confidence between Government and mining industry.

method of acceptance and treatment, that you do not believe in us, that we don't believe in you or each other, and I fear the world will soon not believe in any of us, if the existing state of affairs continues. It is no use for the industry and the Government to incriminate each other; this will only make matters worse.

Government has benefited by over-speculation.

Granted, on the one hand that there has been over speculation on these fields, surely on the other hand the Government has been a partner to it by receiving emoluments through fictitious values. It has made boom budgets if we have made boom estimates; but I do not think there is any necessity to grant this to the world.

Duties of Government.

What I think the Government should do is to justify the policy of its Republic and its main industry to the world, to show to the world that we have intrinsic merits here; that we have the greatest gold fields in the world here; that there are most earnest workers here; that the world has been given most exhaustive and accurate statements by the State department and by the industry; that a great deal of the troubles that we are subject to is made by the world, which has taken our good work as a basis for unjustifiable speculation, and made gambling tables of our mines. This argument we can bring to the world only in one way, and that is by being united ourselves. How can we be united?

Government required to cancel dynamite and railway concessions.

Let the Government commence by abolishing the dynamite concession, taking over the railroads and reducing their rates. This must, however, only be considered as an initial measure and an earnest of the Government's desire to conduct the government of this Republic on true, broad Republican principles.

What have I shown to be the main factor for us to deal with? Is it not the labour question, involving all the vital principles of Republican government? We have not complained so much against the laws of this country as against their administration. The Government must take us into its confidence. It must allow our trained ability to bear upon the serious problems before us. We must be made partly responsible for the administration of this Government, and to be made responsible we must have representation. I would be a coward not to face this issue with my bias towards you and Republicanism. I see no other way out of it.

Representation of the mining industry necessary.

Radical relief required.

If we are only granted the reliefs prayed for now, we will come back for others shortly, and there will be ill-feeling and heart-burning as of yore. Face the difficulty fairly and squarely. This country has now an opportunity in its history of showing its true greatness, by giving freely what could not be forced from it. I have not been mealy-mouthed, and I leave it to the Government to devise how it can most safely grant us a voice in its affairs. I think the workers on these fields care nothing for the shaping of the foreign policy or the general government of this Republic. They do not wish to deal with problems in districts in which they do not work or are not interested. What they want is representation and a voice in things which concern the economic problems that they have to deal with. How to do this I will not be so presumptuous as to suggest; all I ask is that the present burghers admit their own limitations, lack of experience and training for these problems, and ask the best and wisest of all countries to aid them. Let them first believe in their hearts the necessity and right of this demand, and the way will be made clear.

This statement is made by me as an individual, and one in sympathy with Republican principles, and not as one representing any body of men or corporation of this place.

MR. HENNEN JENNINGS on coming up for examination, expressed his wish to first substantiate the statement he had made as to dynamite. He proceeded:

Price of imported dynamite.

In my statement I say that dynamite can be obtained from America for 17 cents a pound, at any South African port. I wish to put in evidence copies of cables sent to

America, and the answer to the same, which show that, in large quantities, dynamite (70 per cent. nitro-glycerine), can be delivered on the coast at 35s. 6d. per case of 50 lbs. The cable I sent in February of this year, which was to a gentleman I knew in California, who has been connected, to my knowledge, with the dynamite business for something like 20 years, was as follows:—"Referring your letter, 23rd July, 1892, quote present price afloat, South African port, dynamite, 70 per cent. nitro-glycerine, large quantities, cases 50 lbs. Cable reply immediately. Wanting a comparison local prices." The answer received was—"17 cents." This cable I will put in evidence, and would state that this tender was secured without even a reasonable prospect of business being done, and without a guarantee of Government support in any way. You will see I also made a statement that the landing charges, agents' fees, &c., would raise it to 42s. 7d. per case, delivered in Johannesburg, free of Transvaal duties. You have the evidence of other witnesses showing that landing charges are 6d. a case, agency 6d. a case, Colonial duty 2s. 1d., and railage 4s.; in addition to which, by taking the 17 cents a pound, and bringing it into English money, makes 35s. 6d. This offer means that we can get dynamite here for 42s. 7d. per case, or just about half the present price, and I can guarantee the reliability of the parties in America making this offer, as I have had long acquaintance with the gentleman who cabled the offer, and know that he can and will carry out what he agrees to do. I would also state that Mr. Pichoir, the gentleman who has made the offer, has written to say that the three established dynamite companies in California, by jointly contributing, could agree between them to increase their plant so as to furnish 16,000 cases monthly, within two or three months after receiving a fixed order. Of course they would require a definite contract to increase their factories to this extent, but arrangements could be made with them to guarantee this supply. I don't know the minimum length of contract they would demand, but I don't think it would be unreasonable. In this connection, I would also state that I have received information from London to the effect that, since this Commission of Enquiry commenced its sittings, Nobel's Trust have used every influence and device to prevent other European manufacturers from making offers, but, in spite of this, a certain firm in Europe makes an offer to Wernher, Beit & Co., by which dynamite can be delivered here, including all usual charges, to Johannesburg, excluding Transvaal duty, for not more than 40s. per case, and blasting gelatine for 56s. This offer is from one small manufacturer, and would only partially meet our consumption, but is very valuable in this respect, that, in making the offer, the manufacturer states that he has been approached by a person describing himself as the agent of the Transvaal Government, ostensibly to ascertain at what price supplies of dynamite can be bought, but suggesting that the selling price in the Transvaal is 85s., and that the manufacturer should frame his offer accordingly. I have brought this matter to the notice of the Commission, not in the belief that the Government has anything to do with the so-called agent, but to put them on their guard against the ingenious devices of the dynamite monopolists, so thoroughly in accord with their past tactics. I take it the Government has appointed this Commission in order to get the truth, and they will be judged before all the world by what they do. It is our desire to assist them by all means in our power, and to protect the interests of ourselves and the Government, which are identical; and, if it is the Government's intention to actually get cheap offers of dynamite, and break up the present monopoly, I would suggest that they should throw the tenders open to the whole world, giving *bona fide* competitors ample opportunity to make bids, by giving them reasonable time to extend their works and meet the demands of this industry; and, in this way, I am satisfied that even lower figures than those I have quoted would be obtained. A bid obtained through the agency of the monopolist, and at short notice, would be wholly misleading, and would be an advertisement of bad

Free trade in dynamite.

Composition of American dynamite.

faith on the part of the Government. Another point I wish to make; It is noticed that the quotation is for 70 per cent. nitro-glycerine. They claim in California, however, that this 70 per cent. nitro-glycerine dynamite is equal to 75 per cent. manufactured from kieselguhr and nitro-glycerine. They claim also that, by using a different absorbent, they obtained the same strength as obtained by using guhr alone with nitro-glycerine; and they also claim, and state that, by test, through a mortar throwing a projectile, they have obtained the same distance as in the test for the 75 per cent; I believe it is even a slightly greater distance. I think that is all.

Mr. *Albu.*

What absorbent do you use in America instead of kieselguhr?—There are various absorbents used by the different factories in California. I don't know them all, but that in use at the factory I have just now quoted, is partially kieselguhr, nitrate of soda, and wood pulp.

You know the article principally used on these fields is gelatine, and the absorbent collodion cotton. They make the same in America don't they?—They make it, but their theory is somewhat different to ours. They don't believe in using such intensely powerful explosives as we do. They regulate their dynamite in accordance with the work, using a lower strength on softer ore; and they consider it more economical to use a lower grade of explosives than we do.

What is the proportion of strength of dynamite No. 1 and blasting gelatine?—I believe that blasting gelatine has nitro glycerine something like 93 per cent.

Yes, but I mean the proportionate strength.—I believe the strength is about proportionate to the amount of nitro-glycerine used.

Cornish prices for dynamite.

Are you aware that, in Cornwall for instance, dynamite is sold—containing 93 per cent. of nitro-glycerine—at 30s. per case?—The only knowledge I have is obtained through the evidence of other witnesses.

In the Cape Colony the duty is 12s. 6d. per case, is it not? I mean the dynamite imported into the Colony, not transhipped—I am not prepared to state that.

Free trade in dynamite.

You don't think there would be any difficulty in getting dynamite if we had free trade?—None, with proper notice to the manufacturers. I have shown from Mr. Pichoir's statement that the dynamite works can be increased in two or three months to increase their supply.

Would you advocate free trade in dynamite?—Most assuredly.

Government control of manufacture of dynamite.

In other countries, is the manufacture and sale of dynamite carried on under the supervision of the Government?—In the United States anyone can manufacture, but in Venezuela it is under Government control.

Are there any particular reasons why it should be carried on in Venezuela under Government supervision. Was it not in order to procure an income to the Government?—Yes, and there I think it was particularly unfortunate, because the Nobel's people had the same kind of contract as here. They put up two factories simply to put cartridges together, as at first done here, and, it being a very hot climate, they had two or three explosions at their works. The dynamite was very much worse than here, and it was very dangerous to the lives of the workmen. We had no control in any way, and had to use what they gave, and the price was even higher than here.

Nobel's monopoly.

Supposing Nobel's, through their influence, were able to form a ring, do you think it would be possible for the mining industry to build their own factory?—There would be absolutely no danger whatever; I speak knowingly from the early history of California. Nobel's, more or less, had a monopoly in California, through patent rights, and they regulated their prices just as they pleased. But another company was formed with a different absorbent, called the Vulcan Company, and it manu

factured dynamite which suited the purpose of the mines just as well as theirs. They had a lawsuit on the ground that the Vulcan Company was infringing their rights, but the United States Courts of Law decided against Nobel's, and this company was allowed to manufacture dynamite; and in its train others came, and through the competition the price of dynamite was reduced immensely, and anybody can manufacture dynamite in America in any way they see fit. The only thing is that the established companies have a start, and in building a new factory it requires capital.

Dynamite factory could be built by industry.

Provided the industry procure the amount of capital required, there would be no difficulty in establishing a factory in Germany, England, or America?—No; and it is shown how quickly a factory can be built by the fact that after explosions, where the buildings are swept away, a new factory springs up again very quickly, and continues its trade.

Importation of raw materials for dynamite.

Has sulphur or saltpetre ever been found in this country in large quantities?—I have never heard of it, and I think the Dynamite Commission appointed by the Government made that statement.

Then a local dynamite factory would have to import sulphur, saltpetre, glycerine, and guhr?—Yes, and skilled labourers besides.

If the monopolists claim to manufacture dynamite after importing all the raw materials into the country, would it not be as just for us to claim that we manufacture machinery and engines?—You could certainly not claim that.

Regulations for railroad building in United States.

With regard to railways, is there any principle in America regulating the building, management, and tariff of railways?—Yes, and in America the system of railroads is the greatest in the world. I think there were 370,000 miles of railroads in the world up to 1890, of which the United States—not the whole of North America—had 163,000 miles, or 44 per cent. of the whole railroads in the world, and nearly 4,000 in excess of the mileage of the combined railroads of Europe, Asia, and Africa. The system of encouraging this immense railroad system in the United States is, in my opinion, one of the features of the development of the United States. In the United States the Government allows—in the settled part of the country—private undertakings to build railroads when they show their financial capacity to do so, and allows them to expropriate private property, the indemnity being fixed by the Courts of Law; but in return for this, reserves the right to control and fix rates—

Control of railway rates in United States.

Equal to the right held by the Board of Trade in England?—I will explain how they control rates. In the United States there is a Federal or Central Government and a States Government. In each State there are Commissioners appointed. A maximum tariff is fixed by law in the States, but the Commissioners have power to fix rates under the maximum tariff declared by law on presenting good reasons for so doing. In addition to the State Commissioners, there are appointed by the Federal Government Inter-State Commissioners, who are appointed with the object of preventing railroad combinations which would be detrimental to the public, and impose local and exceptional impositions. These laws, thus briefly outlined, have wonderfully expanded internal trade. Take Mr. Seymour's testimony, in which he shows the total billions of miles of haulage in the United States and the maximum rates on the main line to be lower than a penny, and the minimum a farthing per ton per mile. You thus see what wonderfully cheap and economical work can be done through competition and judicious Government regulation.

Most of the railroads in America are private enterprises, are they not?—Private enterprises for the most part, but in some of the unpopulated territories, in the early times, the Government gave certain bonuses to the railroads in Government lands, and certain aid; but in giving them this land they reserved to themselves the alternate

Government aid to railroads in United States.

sections, and the Government thus shared half and half with the company in the increased value of the land.

There is a maximum rate and a minimum rate, which the Government has got the right to supervise?—Those rates are regulated by two Boards of Commissioners.

Lowness of United States railway rates in new districts.

What policy is adopted generally by these railway companies on these lines which lead through new countries which have to be opened up. Will these companies charge maximum rates, or such rates as would induce people to settle and cultivate the land? —They charge, in the sparsely populated districts in the United States, wonderfully low rates for the amount of traffic they have, and in some cases they expect to lose money in the initiation of railroad systems, hoping to get the loss back by opening up the country, and, so to speak, stimulating and producing traffic.

They don't try to make big profits at first, but expect to make it when the country opens up and is prosperous?—Yes, they try to make their main profit when the country has been developed.

Government co-operation necessary to supply and encourage native labour.

What means, in your opinion, should be adopted by this Government to regulate our native supply of labour?—I think I have made a very forcible point in my statement about that. In this connection I first state "the Government should do everything, to bring about an abundant supply of black labour and give the mines reasonable control of it through the proper administration of the Pass Law and all other laws connected with the native question, and should encourage this labour to the utmost extent, realising its vast importance to the prosperity of these fields and to this Republic." Now I should like to amplify what I have shown in my statement, that the labour is in the ratio of one white man to eight or ten kaffirs. I am thoroughly satisfied that the kaffir is susceptible to training, and becomes far more useful to us after he has been with us for a length of time. My experience in Venezuela, where we dealt with the negro, shows that, by staying a number of years, and giving them incentives to stay, a great deal more work, and more complicated work, could be got from the negroes, and we could reduce the number of white employees by their instrumentality. I think what the Government should do here is to aid us in trying to keep in every possible way the natives that show capacity in special departments. I have enquired from compound and mine managers, and it is noticeable that the East Coast kaffirs take better to mining than the higher class native—Zulus and Basutos. The Zulus and Basutos are not willing to work underground to the same extent. Now, these peculiarities of the different tribes of kaffirs should be taken into consideration.

Value of experienced native hands.

Railway rates for transport of natives.

Do you think it would be to the advantage of the labour market if the railway authorities were to bring down natives from up country at a very low rate, and charge the difference when they go back?—Certainly; I do not think the railway would lose anything by it.

It would induce natives to come down here, because it would give them an opportunity of reaching this place with very little money?—Another thing strikes me, and I can say it with all candour to the Government—I do not think, considering the drafts we are making on the native labour supply, and considering the number the farmers require for their own use, that there is sufficient native population here. You want natives here for agricultural purposes at as cheap, or even cheaper price, as we do for mining purposes. We require kaffirs with good physique for the mines, and take the population of any country, a comparatively small number are fitted for miners. You want the mining and agricultural industries to work hand-in-hand with regard to the natives.

Indigenous native labour insufficient to meet demand.

Chairman.

With regard to the last portion, that the Government ought to encourage kaffir labour, all the witnesses insist on that point, but none of them, up to now, have shown in what way the Government can encourage native labour. The establishment of locations would spoil the natives, and you would get very little service from them. That is my experience, and I have worked with them all my life. One way to encourage them to come to the mines would be to give them facilities for coming here, to make their lives as pleasant as possible, and to pay them as much as possible, even more than at present, and that you don't want to do; while to compel them, everybody acknowledges, is impossible. The Government can use its moral influence with the kaffirs, as far as those who reside in the Republic are concerned, and give them every incentive to go to work on the mines; but, if the kaffir does not feel inclined, and if it does not lie in his nature to go, how can you get him to go? The same difficulty is found here as is found everywhere. The agriculturist feels it apart from the mines. The Volksraad, year after year, is stormed by memorials from the public asking them to devise some means to make the kaffir work. Notwithstanding all the laws that have been made by the Government, we cannot keep them here, and the kaffir from the East Coast will not reside on the Rand or in any part of the Republic. His inclination is that he must reside in the district where he comes from. I think every member of the Commission is trying to solve the native question. I only say this to show that if the Government, on their side, fail in their endeavour, that it is not because they are not inclined to assist, but because it is an insurmountable difficulty.

Objections to locations.

Government influence on Transvaal natives.

Inability of Government to retain natives of other countries.

Good intentions of Government

Witness. I appreciate what the Chairman has said, and there is a great deal of force in his words. I say there are difficulties, but I do not think they are insurmountable.

Chairman.

Will you please say how the difficulties are to be surmounted?—The reduction of the railway fare is a trifle. Suppose the railway brings them for nothing they will come, but to get them to work is another thing. I agree with the Chairman that this native labour question is the main question for the mines and the whole Republic. I have had no experience as the early settlers in this country have had in subjugating the aboriginal race, and I admit I have no right compared with them to speak on this portion of the subject, but I claim having been born in the Southern States of the United States, and having been connected with the working of negro labour in the Venezuela mines, that I have a right to speak on the kaffir labour question. The suggestion with regard to locations was a general one, but let us see how it worked in Venezuela. The aboriginal race was thoroughly unfitted for the mines. The white race, owing to the heat and the climate, could not do all the work, so were driven to get labour from the West Indian Islands. The Government tolerated their importation. They came first without their women and their families. The mines paid immense wages to induce them to come. Little by little they brought their families, and the companies who had ground rates encouraged them to have what they called *canucos* or gardens. They came from different islands, and they had these little locations. There was a certain amount of rivalry between them, their wants increased, and that stimulated their ambition, and they were finally willing to do far more work than at first. They remained long enough, satisfied with having their families in the country, to enable them to become skilled. Now, in suggesting locations, I do not mean simply one great big location around the mines. I should think the farmers would, for their own interest, in the best agricultural parts of the country, try to get natives to come by offering some little inducements, and allowing them certain plots of land. The men

Locations in Venezuela.

Small allotments preferable to locations.

of the strongest physique could go to the mines, but the younger and older men and some of the women could work on the farms. If that is practicable—I know it is difficult—the agricultural population as much as the mining industry would benefit. Something must be tried different to what we are doing at present. Now that I have gone so far, I want to say that, of course, I know the negro of the Southern States is not the same as the kaffir; that from being in contact with the white race for so many years he has developed more; but it shows you the latent possibilities of the black race. What these negroes are capable of doing in the Southern States, I do not mean it is possible to do here right off. In 1863 a proclamation was made by President Lincoln, freeing all the negroes in the States. At that time there were about 4,000,000 negroes in the States, and it was supposed that we would have immense trouble in controlling them, but the natural peacefulness of the race was such that they were, so to speak, absorbed in the American Republic, and were granted full franchise rights. There is a social race distinction in America, as there should be, and in the South they recognise their inferiority, though they have equal political rights, but even so we have no trouble in keeping them in their place. In the Southern States the Government has demanded compulsory education; they have their own schools, their own colleges, training schools, and ministers. I am giving you this as an illustration of what the black race is capable of being brought to. We cannot do this in a day, but I am simply pointing out to you the direction in which to work to develop the latent possibilities of the black race.

Difference between United States negroes and Kaffirs.

Progress of negroes in United States.

There is also a portion of South Africa where slaves have been freed, where they have got their full franchise rights, and what has been the consequence? They want to be more bosses than the white men themselves. Experience here teaches that it is just those kaffirs who live in the locations of missionaries that you cannot get to work when you put them on a farm to sow, etc. From that class you won't get one to work on the mines. That would be the consequence of any locations that might be established here.—I don't wish you for a moment to suppose I advocate giving the native races equal rights with the white races at all, but I say you ought to do all that is possible to encourage them to come and not to lose heart by present failures here, but to feel that these races by judicious development are susceptible of immense improvement. You want to give them a stimulus, and you also have to make the lazy ones have the necessity of earning their livelihood by taxation.

Objections to locations.

Improvement of native races possible.

Taxation of natives.

They are already taxed higher than the white population, and it would be unreasonable to tax them much more than they are taxed.—There is one point I was reading over in the testimony of other witnesses. It was stated that the little location at Buffelsdoorn is doing very well, and Mr. Way, of the George Goch, spoke favourably of his location.

George Goch and Buffelsdoorn locations.

I will admit that where a mining company has got its own ground, and where the kaffir is given ground to work, the kaffir is entirely dependent upon the company for that ground, and there he does work. But where would you get a place to put all those kaffirs. The Plakkers Wet provides that no more than six families shall occupy a farm, whereas you say there are not enough kaffirs in the Republic to supply the wants of the mines.—I would try to induce them to come from the East Coast here. Come down to one of our main troubles here. It is the sparseness of the population, and the great demand made on the country from the sudden introduction of this great mining industry. The population of the whole world averages about twenty-eight to the square mile. The population of this State in whites is less than two and a half, and with white and black it is not over seven. That was one of the reasons I did not think we were ripe for manufacture. If you take the manufacturing districts of the world, you will find the population very dense.

Locations on mining companies' grounds

The Squatters' Law.

Sparsity of Transvaal population.

But not with blacks.—Well, blacks work in some of the Southern factories in America.

Employment of blacks in factories.

In America, but not in other countries.

Mr. *Brakhan.*

With regard to taxing the natives, it is your opinion that this tax can be increased. Seeing that the whites pay, in direct taxation, very little, and yet pay a good deal in indirect taxation—that is to say, in duties on the articles they consume—do you think for that reason the hut tax could be increased?—I would not like to say it could or could not. I say it is a judicious mixture of encouragement and necessity that will make them work. But I beg to differ from the Chairman as regards the kaffir taxes here being greater than that of the whites. It may be so in direct taxation, but indirect taxation has been so much written about and spoken about that I think the Government should really find out what that is. I have seen statements in the paper where some one man figures out that it is £31 per head, and others different sums, but it is certainly very great, and I would advise the Government to put their statisticians to get reliable statistics of all other countries in the world, and compare them with the indirect taxation here.

Taxation of natives.

Indirect taxation of whites.

If these figures given in regard to the indirect taxation of whites are anywhere near the mark, then there is reasonable room for increasing the taxes of the kaffir.—I don't see that connection, because you cannot tax the kaffir beyond what he is capable of paying. They could not pay in proportion to a white tax of £31, or even £10.

Increased native taxation.

This taxing him more heavily would compel him to work—would force him to work.—It would induce him to work, but you have to get him into the country first, and you do not want to discourage him too much. Although I may be alone in the idea, I think we have to graduate the wages of the kaffirs in our mines—that is to say, try to induce the best kaffirs to work on piece or contract system, and pay them according to what they do. It is human nature to do better when encouragement is given. We all want encouragement.

Contract system for native labour.

In regard to locating kaffirs on farms. The Plakkers Wet limits the number of families located on one farm to a very small number—six. Don't you think that law would be in the way of bringing them to agricultural districts?—Is that the law? Well, I think that is a small amount.

The Squatters' Law.

Chairman.

That does not prevent the Government from creating locations wherever they might think fit. In America, is the railway chiefly owned by the State or by private enterprise?—Private enterprise, under State control.

Ownership of American railroads.

You say here in your report it would strengthen confidence if the Government were to run the railways themselves.—Yes, that is a point I would like to speak about. Although I believe in the private railroad system of America, I advocate, for the best interests of the Government, that they expropriate these railroads here on the ground that they are neither private enterprises nor a Government enterprise, but a mixture of both, and it is more or less the same principle that I mentioned with regard to dynamite. It is a concession, and the curious part is—I may be mistaken in this, and some gentleman connected with railway matters will perhaps correct me—that, although the Government are such large stockholders in the railroad, they have really no voice in the administration, and, although they guaranteed the whole debt of the company, absolutely the only way they have of regulating the railway is by expropriation. I understand that the Government have not even a director on the

Expropriation of railway.

Government has no voice in Netherlands Railway administration.

board in Holland, and, although they have a great holding of shares, they have no more voice than a small holder. Mr. Middleberg, in his statement, has practically said that the company had the right to regulate the tariff, and the Government control is only through expropriation. Now, how are you going to get the very best working for the industry and the Government under such a condition? Mr. Middelberg, as the representative of this Corporation, tries to make the biggest dividends he can. He made a very clever statement, practically laughing in both our faces and throwing dust in our eyes. We are reduced to expropriation if we want to control the railway.

Reduction of Netherlands Railway rates, and expropriation.

If the Government decide to expropriate it is very evident you cannot get an immediate reduction. Thus we get a difficult position, because all the witnesses said it was the duty of the Government to insist on a reduction. Thus we get a difficult position, because all the witnesses said it was the duty of the Government to insist on a reduction, and also that it is the duty of the Government to expropriate the railway. You want both at the same time.—I think it is not in the power of the Government to give us both at the same time, even if they want to. I don't know if I am right or not.

How not? You admit the Government cannot give both at the same time. Why was it given by all the witnesses that they wanted immediate reduction in tariff and expropriation?—According to my argument, that is impossible. Am I not right in my argument that the Government had no power to reduce the tariff without expropriation?

I do not want to answer the question, but in your evidence you insist upon lowering the tariff and expropriation.

Reduction of Netherlands Railway rates to follow expropriation.

I understand from you that you are asking for two things at the same time—reduction of tariff and expropriation?—What I want to make clear, and I am afraid I did not do so this morning, is that if expropriation takes place, the reduction in tariff will follow. Also, that, although I believe they have no legal right by which the tariff can be reduced before expropriation takes place, there is always the possibility of making arrangements to take over the railway prior to the eighteen months by giving the company satisfactory equivalent. Therefore, it is not impossible that both can take place, although it cannot be done by the exercising of legal rights alone.

Price of imported dynamite.

I understand from your evidence that without Transvaal duty, dynamite can be landed here at 40s. per case?—42s. 7d. from America, and 40s. from the small manufacturer I spoke of.

And that dynamite will be equivalent to No. 1 used here?—Yes.

Quality of imported dynamite.

Have you any proof to that effect?—Simply from their statement—of tests that have been made showing the number of feet a projectile was thrown; and the calculations were carefully made. In sending dynamite here they would be willing to subject their dynamite to a test, to prove it is of the same quality as they guarantee it.

White labour.

As regards the latter part of your statement, you and many witnesses have said before that white labour should be put on such a footing here that white people should feel at home here, and make their abode here, but that expenses of living kept them back from doing so. I understand that the wages paid here are proportionate to the expenses of living, and that should not be an obstacle. If I were in Europe earning £2, and living on £1 10s., then I would be on the same basis.—There is logic in that. I tried to point out that these high wages did induce single men to come here, but for married men the inducement is not sufficient to bring them here with the idea of settling. The statement of Mr. Goldmann shows the percentage of miners whose families are left behind; and, after all, the thing to get in a Republic is

Married and unmarried miners.

the people to cast their lot in with it, and the basis of that is, that the married population and their offspring, in the course of time, would feel most satisfied to live in the country, and be genuinely satisfied with a lower wage.

Lack of confidence between Government and mining industry.

In the latter part of your evidence, under the heading of "want of confidence," you bring forward matters that are a political contemplation, and are not really a subject for discussion before the Commission, but still there are some remarks with which I differ. This is not the time and place now to discuss the matter, because the charge of the Commission is only to see what is necessary to assist and foster the industry, to take away the present depression as far as possible. There are a couple of sentences which I do not quite understand, and I would like some enlightenment on the subject. You say, "what have I shown to be the main factor for us to deal with? Settling of the labour question involves all the vital principles of republican government." I do not quite understand the meaning of that. Must I understand that it is the duty of the Government and Republic to solve the labour question by supplying the employer with workpeople?—That is a question I have endeavoured to touch on in as light a manner as possible. I felt diffidence in doing so at all. If you notice, in the last part of my statement, I said I will not be so presumptuous as to suggest anything. I feel, with the Chairman, that the time and place is not propitious for a free discussion upon it, but, in considering the labour problem of the country, it is almost impossible to go down to the vital elements without touching on politics, and, if the Chairman gives me the invitation, with all sincerity, to discuss this matter, I am perfectly willing to do so, but I do not care to do it unless he feels it is advisable for me to do so. I have a good many arguments to bring up, and, if I attempted it at all, I should have to speak just as I feel—in a perfectly frank way, and it might give offence, but I would do it with all kindness of purpose. Now do you think it would be wise for me to do it?

Duty of a Republic to provide labour.

Duty of Government to encourage labourers.

I only want that one sentence explained. I do not consider that a political question. All I want to know from you is what you mean by that sentence: That it is the duty of the Government, as a Republican Government, to provide the necessary labour?—It says that in so many words. I believe it is the duty of the Government to encourage all classes of labour in every way, to make men satisfied. It is also so as regards all these questions of Liquor Law, Pass Law, gold thefts, etc., because it resolves itself into this; the only argument I can bring into such a case is that the people most vitally interested in the carrying out of that law must have the power in the selection of an overseer in the work of the people, and therefore it is necessary to bring in a certain amount of politics in speaking of local government. I do not want to go into high politics. I merely want to state this: I am a mining engineer, and have never engaged in politics in this country or any other country, and I do not understand them very well, but I understand mine management, and I would bring this illustration forward. Take a general corporation as a simple illustration of a Republic; take the shareholders as the public at large; take the board of directors as the main central Government; and take the mine manager as the local government. If the board of directors say to the mine manager, we are sending you a man we know is very good as mine or mill foreman, and we know he is so good that you shall have no power to see he does his work, and the only thing you can do is to complain to us—what is the result? Perfect chaos in the management of the mine. The board of directors must have confidence in their local government, so to speak, that is in their manager, otherwise he has not got the control of his employees, and the thing won't work. That is as far as I care to go into politics; I think you can draw your own conclusions.

Still that is not a reply to my question, which is simply this—whether it is the duty of the Government to regulate the supply of workers for the employers?—Not absolutely directly, but indirectly, yes.

Means of attracting labour.

On that point I should like to have some information, in order to give us some guide.—The Government could make the cost of living low, to make the labourer satisfied, and give him political rights.

Political rights.

"Political rights" is out of the question. Of course the natives could not get political rights.—I am talking about white labour.

I am talking about black labour. In what way will it make the white labourer more contented to give him political privileges?—In possession of these privileges he feels he has power to regulate his living expenses; also that he has the control of educational advantages for his children, and can gratify his ambition in political life. I think these are three main reasons.

You say now if they got political rights, it would encourage them to live here, whereas in your statement you express it somewhat differently?—I see there is something rather like a contradiction. What I want to impress on you is that a man should have rights in local government and not necessarily in the central government. I have been educated in the United States, where the keynote of the whole system is local rights. In the territories they have no voice in the central government, but they have perfect local rights to arrange things among themselves. Now in the territories I think it would be an interesting point for you to know that the central government appoint a governor and certain other officials with him. But the people have a right to their legislators in a similar manner as in States where they have the full franchise, and they regulate their own little circle of affairs without interference from the central government. They are not obliged to take the oath of allegiance to the central government, and they need only live three months in the place in the district in order to obtain a vote for their own affairs. Those are territorial rights, and I wish you not to confuse them with State rights. And, after all, that is the keynote of American republicanism. There is another instance, in my native State of Kentucky, where there is no general prohibition of the sale of liquor—to show you the extent of local rights—any town can have its own liquor laws and prevent the sale of liquor within its own district.

Local self-government.

You are going away from the subject. There is another point in your statement. What do you mean when you say "If we are only granted the reliefs prayed for now, there will be other questions shortly, and there will be as much heart-burning and ill-feeling as of yore?"—I mean this. If we are granted advisory boards, and have no control over the *personnel* of the people who minister to our local wants, we shall find things won't work, and we still feel—rightly or wrongly, it may be our own fault—but we think it is the Government. Whereas if we have our rights in our own local affairs, and we make mistakes, and even make a mess of it, we are happy in having "a finger in the pie."

Insufficiency of advisory boards.

That is not the question put to the Commission or Government, to erect your own local board, which can tax the public according to its own ideas. The real question put to the Government was to give certain relief, and that is the only relief which Government can give, even if you have a local board, because the local board cannot lower the railway tariff throughout the whole State, nor go into the dynamite concession or other questions you have quoted here.—Perhaps I have not gone even far enough; I feel that there wants to be a touch between this community and the central Government, and I feel that all things which are not thoroughly done will be heard of later on, and if we simply go into the question in a patch-work fashion without getting at the fundamental cause, we don't cure the evil. What I mean to say is that I would

Want of touch between Government and mining community.

beseech the Government to take everything into consideration, and to take the point I have made into consideration, and, without giving us full rights, to see that it is to the greatest good of this Republic to bring us into touch with each other, and to give us the greatest possible rights at once.

You are now entering upon a point which is not open for discussion, and what you want to discuss is not what you have put down on your statement. What you ask for really is the lessening of import duties, railway tariff, the cheapening of living, and for cheaper dynamite. These are the reliefs asked from the Government. Now you say, even if you got all that, that within a short time you will still come up again, and that the same feeling of unfriendliness will remain, and other questions will have to be discussed. Now if they cause "unfriendly feelings and hatred," how can I assume that if you get all these and come back with others, and they are granted, the same feeling will not remain?—We feel we have in this Commission an exceptional chance—the most exceptional I have known for seven years. We have the ear of the Government and the kindly consideration of the Chairman. Are these Commissions to be of all time? We want to feel that if we have now asked something that we may hereafter find inadequate when there is no Commission, we will still have the ear of the Government.

The relief asked for.

Beneficial effect of Commission

But you say that if these reliefs are granted it will only foster unfriendly feelings and hatred?—No; I do not say that. We will be satisfied now, but we may come back with other requests we don't know of now.

There was no unfriendly feeling or hatred?—I don't say that at all. If I have worded the passage at all to give the Chairman that impression, it was not my intention. After all, I mean to say, commencing as well as we have, we should have a certain political status by which we have a right to come to the Government. Now, I don't think we have, and we appreciate the Government for appointing this Commission.

Political status of uitlanders.

We will leave this point alone. I only want you to understand that it would have been better left out of your report.—I regret if it has given any offence.

There is another sentence reflecting on the lack of experience of the Government to deal with these problems. I do not want to discuss this point, but as a burgher of the State I feel aggrieved at the sentence, and it makes a bad impression on the Government.—I am not at liberty to discuss that question.

Coming back to the question of local boards. Is the Sanitary Board a success here—it is a Local Board?—I have not recommended Advisory Boards.

Sanitary Board.

Do you think the Sanitary Board a success?—That is a difficult question. It is a success in some ways and not in others. I do not, however, know the internal workings, and I am not in a position to discuss it.

I only put the question because it is a board established for the well-being of Johannesburg. It is a local board, established by the inhabitants of Johannesburg—at least under their government—and lately I have heard several complaints to the effect that a heavy burden is imposed on the inhabitants of Johannesburg.—I am not prepared to discuss that; I don't know anything about it.

Mr. *Joubert.*

Is it not possible for a mining company to put a proposal through the Minister of Mines and the Superintendent of Native Affairs by which native labour could be regulated? On the basis of civilised government, of course?—Well, I am not very hopeful about making suggestions, unless we have some control in carrying them out.

Inefficient administration.

You say in your statement, in regard to the laws, that you have nothing to complain about.—It is the administration we complain about.

Control of *personnel* of administration by uitlanders.

But if the law is not properly carried out there is always somebody to whom you can attribute the maladministration?—I think we must come back to my original contention that we must have some power over the *personnel* of the administration.

Then the law would not be good if there were not proper control established?—It is easy to make good laws, and it is a different matter altogether controlling them.

But if the law is not properly carried out there is somebody to whom you can attribute that non-carrying out?—I have been brought up in a different country, so that I cannot discuss this in a way that Mr. Joubert would like. We don't consider in America that we can have the laws carried out unless in each district the inhabitants of that district have some control over the officials of the district.

That is also the case here.—Well, I am not aware of it.

Lack of confidence between Government and mining industry.

I say so. I want you to go back now to the question of want of confidence. I want to ask you, as a civilised man, if a stranger comes and lives on my farm, and I give him every chance to make profit for himself, on whom does the first duty rest to create confidence—on the owner of the farm, or on the stranger who comes on the farm? Who takes the first step towards creating confidence?—Confidence has to be mutual.

Who has got the first duty in that respect to create confidence?—Well, I would like to see the exact illustration you mean.

Supposing you have got a farm and a stranger comes; you give him every facility to live there, and to do well for himself. You want to create confidence. From which side should it come, from the stranger or the owner of the farm?—From the side of the owner of the farm.

But he has given every confidence by giving all these privileges?—But he demands work from the stranger in return.

Relations of uitlanders and the Government.

Supposing somebody comes on my farm—a poor man. I give him every chance. I say: "There is my farm; you can make every profit you can." He has got his chance, and he makes every profit he can, but after having made his profit he comes to me and says "You don't regulate your own house properly. I want to instruct you how to put your house in order." Does that create confidence from his side?—I think Mr. Joubert is giving a very extraordinary case. He is practically giving something and exacting nothing. I don't see the bearing on our case here at all.

That has got a relation to mutual confidence.—But the mutual confidence we are speaking of is where we are mutual workers. We don't take and not give. We give as well as take.

And, according to that, the matter has to be regulated?—Yes; but then I say this analogy is not applicable to our case.

I say it is applicable. You say "If you give us everything we want we still will come back with some more questions. These will cause bad feeling and dissatisfaction amongst us." How is it possible you can expect from the Government and the people that, in the first place, everything will be granted, when you already say it will not help you a bit—that you will still have grievances against us? You will still come back with further requests. That stands here in your declaration.—You are pushing me on to what the Chairman did not want me to do—to discuss politics.

That is not politics.—I am not going to take an illustration which is not applicable to our case and give definite answers.

Now, do you think that sentence of yours here is conducive to establishing good feeling between the old population and the new?—If it is taken in the spirit I mean it, I think it should. It was not the intention of the writer to introduce ill-feeling at all. It was simply to show how, with whatever good intention the Government wished to deal with us now, and however they may smooth over the sore with a salve,

until we heal that sore we cannot be thoroughly satisfied. It was done with the greatest kindness, to show the Government—and I spoke in the same statement that this was a crisis in their history—that they should give freely and liberally, in order to make that cure permanent; and I feel, from the treatment witnesses have had before this Commission, and the statement of the Chairman, that they wanted the truth from the bottom of my heart, and that they don't want me to trick them into giving temporary advantages, and tell them what I don't believe in my heart would result. And what I mean in this whole thing is that I have been brought up as a republican, and the great fundamental principle of republicanism in my country is equal rights; and, unless the Government is willing to make the uitlander population, which outnumbers the original population, eventually a part and parcel of this republic, it is my candid opinion that, with the very best intentions that you may have, you won't have the maximum peace and prosperity in this country. I may be wrong, and I think that I have taken a departure in this from other witnesses, but I have done it with the best intention and the kindliest feeling towards the original population of this country. I want to show them the danger of patchwork, and it is my belief if they want the permanent peace and prosperity of this country they must give trust to the uitlander, not unreasonable trust, but trust. In my own business I find that if I should attempt to run a property by distrusting everybody on it that was not of my little country or place, or whatever it might be, I would not make a success of that business.

Radical remedy for uitlander grievances required.

Incorporation of uitlander population.

I now speak as a burgher, not as a member of the Commission. According to my opinion those words put down there in your statement, in black and white, clearly to be read by the people, are not calculated to inspire that confidence.—I am only sorry that the phraseology was different from my intention.

I quite understand that.

Mr. *Smit.*

Your declaration as far as concerns its practical side is of the greatest interest, but I am sorry you opened up into politics. On the one page of your statement you say you hope the Government will take the people into their confidence, and on the following you say confidence cannot be established, because you have further requests to make. It is a great pity that should appear at the end of a very able declaration. —I hope I have in some way mitigated that by the explanation I have given. I hope it will in no way interfere with what the Government will do from the testimony of other witnesses. I gave it simply as an American individual, and with the best intentions and on my own responsibility.

Of course I take your declaration as one thing, and your political feeling as another. Your political ideas cannot influence the good the Commission intends doing for the mining industry. On page 34 you say, "There is no use for the industry and the Government to incriminate one another." What do you mean by that ?—I mean —I don't say the industry and the Government officially have done so—but I mean that members on each side, more or less, have taken up antagonistic positions.

Antagonism of Government and mining industry.

The complaints of the industry against the Government we have had fully, but what accusations are there on the part of the Government against the industry ?—Well, as I say, I don't think there is any official complaint on either side. It is indirectly.

From what indirect complaint ?—It is written in newspapers. They get interviews from your officials, who say the whole trouble here is all ours and that sort of thing. I mean to say that a section of the Press say the whole trouble is on the

Government side, and the other section says it is on the uitlanders' side, and certain prominent people on both sides talk about it. That is what I mean.

I would like to have a direct answer. You should not give an indirect answer. The complaint before us is that the railways are too expensive, dynamite is too expensive, the Government does not carry out the Gold and Pass Laws, and also the Liquor Law. These are accusations directly against the Government. Now, you say the Government has also made accusations. Now I want to know what accusations are made against the industry.—I say, directly and officially as a Government, none, but I say as far as I can learn from newspapers, some high officials of this Government have made statements against the mining industry and how it is carried out. This is a question I don't want to go into detail about.

I did not expect you to take notice of what is put in the newspapers of things of that description?—Well, that is my meaning.

'Boom budgets" and over-flotations.

You have mentioned in your declaration "boom budgets" and "boom estimates." I want you to quote a boom budget?—What I mean by a boom budget is a boom amount of receipts and an immense expenditure, and I think that the last budget of that kind, as given in the Chamber of Mines' report, shows that. That is an excessively abnormal budget.

Now, do you mean to say that if the inhabitants of the State make false and excessive flotations, by which means the income of the State itself is inflated and increased, and when the State is ignorant of the over-capitalisation and over-flotation, then the State ought to leave alone public works and public expenditure that may be necessary because there is a mismanagement of finance by their subjects without the State's knowledge?—I am not taking the motives of the Government, I am not taking our own motives when I made that statement. What I mean to say is if there has been an excessive amount of money invested in this country, the Government get a share of it, and make their expenditure accordingly.

How can you say that the Government are accomplices, so to say, to over-flotation, &c., when they did not know there was such a thing?—I say they are partners in it; they share in it; however it is brought about they share in it. How has the revenue been increased except through this industry here? I will tell one of the reasons that I wrote that. It was that at the time of the first evidence brought before the Commission, Mr. Joubert spoke about wanting to get at the wrong flotations, and I did not know how far that policy would extend when I wrote that. I wanted to justify the industry. If there has been over-flotation here, the Government get their share of it in import duties, from prospecting licences, from railroad carriage, and everything in connection with the company. They are partners. I don't want to blame ourselves more than the Government. I am taking both together.

You really mean to say this much, that the Government was a partner, though not necessarily parties to it?—That is what I have said here [*referring to his declaration.*] "There has been a partner to it." That is what I say in English.

Expropriation of railway.

About the expropriation of the railway. Supposing the mines are met as much as possible through the lowering of the rates, off-loading facilities, and all that kind of thing, would you even then still insist upon the expropriation of the railway?—Well, there is this about the expropriation of the railway. Neither the Government nor any of us have any control over its workings, and the tables that I gave are so very much different from the rates of my own country that I think them abnormal.

That I can see for myself. It is unnecessary to go further into that. I know the Netherlands Company's rates are much more expensive. Of course, you know it cannot be brought down to the level of American railways?—Not at once.

But supposing it was brought to the same basis *pro rata*, taking into consideration the cost of wages there and here?—You have a constant factor which, I think, is detrimental to the population and the Republic in that. If the railroad made a little too much, and it all went to the Government, we should not feel it so much. If the railway company were doing the thing at their own risk, it would be another matter, but the Government have practically financed them, and yet do not have control over the railway. Then, I don't see in what way the Government can have control over these people except in keeping them within the maximum tariff, and the company are not going to make any other arrangements with the Government unless they make money by it.

That we don't know. If the railway was in the hands of any other factor, it would be allowed to exist so long as the tariff was reasonable?—I don't care in whose hands it is. With its present constitution, I don't think it is in a position to give the maximum benefit to the country or to get the lowest possible working expenses.

Would you approve of the constitution if the Government were to expropriate?—If the Government were to expropriate it would bring about a better state of things. It gives all the profit back to the Government. The Government then, if it sees the necessity of the community, has the power of lowering rates, which it has not at present.

Concessions and free trade.

The tariffs have already been lowered.—The whole thing comes back to the principle of concessions, and I say you cannot get the same good work out of a concession as you can with free trade. That is my opinion.

You do not want to answer the question? If the tariff is reduced you still want the railway expropriated, and I make the deduction you only want it expropriated because you do not want to see it in the hands of a company, and because in America the railways are in the hands of the Government, and every railway company has a concession?—No, they have no concession.

Construction and control of United States railways.

Can everybody make a railway who likes?—Yes, they can go in competition with other railways.

Supposing you want to construct a railway, have you got to get the consent of the original railway company?—If it is on Government property, of course they would not have the right to run along the section of line already constructed, but they can apply, and run a railway 50 or 100 miles from another point if they thought it would pay.

Now, supposing the railway be constructed on Government ground, as well as on private ground, from whom does the company obtain its right to construct the line?—The company, as I said before, applies to the Government, and they give them the right, provided they show their *bona fides*, and their ability to build the line.

And the Government gets the right to control the line, and regulate its tariff?—Yes, but it does not prevent other people who apply to run a line close by. That is the great difference here; if we were empowered to run a line parallel with the present one, it would be another matter. I believe there is no other company except the Netherlands allowed to build railways in this country. You see the whole principle of American trade and the American railroad system is internal free trade—anybody can build railways. There is no trade monopoly granted in America. If a tariff is put on to protect any industry, any amount of other industries would spring up, and no one manufacturer or company is given preference over another. That is the whole difference; and it is a great difference.

Can anybody build a railroad parallel to an existing railroad?—I do not know exactly the distance they should be apart, but parallel lines in America have been very close to each other.

Mr. Middelberg's evidence.

You said this morning that Mr. Middelberg threw dust in the eyes of the Commission. I take that to mean he told an untruth. Can you point out anything in his statement that is an untruth?—I did not make the statement that Mr. Middelberg told an untruth. I said it appeared to me he threw dust in our eyes.

In what portion of his declaration is there anything that appears to be incorrect or untrue?—I have not made a careful study of his evidence; and I do not say he stated any untruths; but, to me, what seemed a very curious thing was his starting off with the tenant and house business. I do not say that there was any untruth. That was a clever way of bringing out his point, but it did not seem to me logical or perfectly fair, and that is what I mean by throwing dust in our eyes. He left out a very important factor in the illustration of the tenant and the house. There are two principals engaged in it—the owners and the tenants, but the tenant was a forced tenant not a free tenant, and one of the so-called principals was only an agent, and we, as the poor tenant, can fall back on the Government for redress.

I only made the remark, because, if there were anything that was an untruth in the statement, I wanted to know it.—I do not say it was an untruth at all; I mean it was very cleverly put.

There were some other clever people before the Commission as well as Mr. Middelberg.

Chairman.

I feel myself called upon to thank you for your exhaustive evidence, and specially because you gave yourself the trouble to give the Commission a printed translation, which made it very easy for the Commission to follow your evidence; and, as far as I can see, your statements with regard to the working of the mines, and the figures given by you, are very exact. Your statement has given us a clearer insight into the working of the mines than all the previous statements. As regards the other part of your evidence, about which we had a discussion this afternoon, I feel assured you have given your honest conviction and feeling; and I believe that the interchange of ideas will perhaps lead you to other thoughts, and will also give me thought for reflection; and perhaps it may be for the public good after all.—I wish to return my sincere thanks to the Chairman and Members of the Commission for the patient and fair manner in which my testimony has been received.

Mr. Leggett's evidence.

MR. THOMAS H. LEGGETT, Consulting Mining Engineer for S. Neumann & Co, was next called. He said he had been twenty months in the Transvaal, and prior to that time in America. He proceeded:

In coming before you, it is not my purpose to go over the ground already well traversed by men who have been longer in this country, and are therefore more thoroughly acquainted with its condition; but I am in hopes of presenting to your notice one or two matters that have come within my experience, which have a direct bearing upon the mining industry of the Rand. The matter of railway freights has been gone into very completely, hence I have little to say about it other than to draw your attention to one particular shipment of mining material recently received from San Francisco, which has, in fact, reached here during the past month, and upon which I have been able to get the different charges from the Pacific coast to Johannesburg. These are set forth in the table marked "Exhibit A," which I hand to you for inspection. The total weight of the shipment was 9 tons, and you will note that the per-ton mile rate from San Francisco to New York, which is something over 3,000 miles, was 0·28d.; the

Railway rates.

ocean freight from New York to East London was 0·17d., being somewhat higher than usual on account of the bulky nature of the freight; the Cape Government and Orange Free State charges for haulages of 286 and 328 miles respectively, were identical, namely, 2·27d., or exactly eight times the rate on the American railway for one-fifth of the haul; while the Netherlands Railway charge was 7·45d. per ton per mile, or nearly 27 times the rate in America, and for a haulage of only one-sixtieth the distance! You are doubtless aware that, in this haulage across the Continent of America, there are hundreds of miles of country very similar to that traversed by the railroads of South Africa, while the altitudes to be surmounted exceed 8,000 ft. above sea level; and further, on many of the freight (or goods) trains, the engines have to be doubled in order to surmount the heavy gradients. Even the lack of railway competition in this country can hardly be considered as accounting for this tremendous difference. In short, the Netherlands Railway charges are out of all reason, and can be considered as nothing short of absolute extortion. In reference to this particular shipment, the agent in Johannesburg informs me that one portion of it was delivered at the Johannesburg Goods Station, and the other portion, approximately half, at Elandsfontein. At Johannesburg Station he was charged 1½ per cent. duty, but at Elandsfontein he was forced to pay 7½ per cent. on exactly the same goods. He naturally made a protest to the Elandsfontein agent, who in turn referred it to Pretoria, receiving instructions in reply confirming his charge of 7½ per cent. It would seem as if a very substantial error had been made in this particular, and it emphasises the necessity which exists for the Government taking over the railway, and giving it that thorough and systematic administration which is so urgently needed. With respect to the direct taxation of the mining claims by the Government, at first sight these do not seem excessive. Nevertheless, a comparison with the charges which are made in other republics in America may be worth making. For instance, what does it cost in the United States to obtain title to mining property? The expense of locating, *i.e.* pegging, the average-sized claim of 600 × 1,500 feet (equal in size to 15·62 Transvaal claims of 400 × 150 Cape feet), together with recorder's fees, is approximately £10. Title in fee simple or freehold can be obtained from the United States Government on payment of £100. To this must be added the cost of surveys, maps, and incidental expenses, increasing the amount by about £50 more. In other words, by a payment of £160 one obtains absolute title to 900,000 square feet of mining ground, which may be worked or allowed to lie fallow for years, at the option of the owner. Let us compare this with the cost of the licences paid by such a property as the Wolhuter, consisting of a mining area of 171 claims. This company paid during 1896 the sum of £519 10s. in licences, which is about its average annual payment. In the United States this amount of ground would be covered—not, of course, in actual area, but by virtue of the mining law of the apex—by two 1,500 foot claims. The cost of acquiring perpetual possession or the freehold of this ground would be £320, or only 61 per cent. of one year's payments on a mining property of equal size in this country. The Spanish-American republics are equally favourable to the development of the mining industry. Their claims are bounded by vertical planes, as is the case on the Rand, and the Government charges are very similar to those which prevail in the United States. I do not know that any complaint has ever been made on the score of too heavy charges for mining licences, and I do not make this comparison in any carping spirit, but merely to draw your attention to the policy pursued towards the mining industry by other republics, who accept as an axiom the principle that the success of this industry conduces to their own prosperity to a greater degree perhaps than that of any other. The matter of the Pass Law has been thoroughly well ventilated. The question of the cost of

Mining claim licences.

Cost of title to mining claim in United States.

Wolhuter claim licences.

Mining claim licences in S. America.

Native labour.

natives delivered at the mining properties, so to speak, is to my mind a serious item. In one mine that I am acquainted with, not a very large property, having a mill of 40 stamps, the payments on this account during the past year, after deducting the amounts subsequently refunded by the "boys," totalled £2,663. Now, inasmuch as an average of about 390 natives were working at this property during the same period, this comes out at a cost of over £6 16s. per "boy." This cost divided over the tons crushed for the year, gives a charge of 6s. 8d. per ton. At the Wolhuter Gold Mine in 1896 the cost of procuring native labour, after deducting the amounts subsequently refunded by the kaffirs, equals £5,448 10s. This works out at a cost per "boy" of £3 6s. 4·8d., there being 1,641 "boys" employed on the property. Spreading this charge over the tons crushed for the year, the cost comes to 9s. 5d. per ton. I think you will admit that these charges constitute a very heavy burden upon the mining industry, and trust you will afford us your aid in remedying the matter. What I wish most to draw your attention to, however, is the cost of working in the United States mines, which are similar to those of the Rand, more especially those of California, where the veins are of a width similar to the banket beds of this district, and the mines are of even greater depth. The data contained in the sheet marked "Exhibit B" will be of interest in this connection. The costs of working such mines as these can, with all fairness, be compared with our own working costs on the Rand, inasmuch as the types of the ore deposits are similar, or rather, I should say, that the methods of mining a quartz vein, 3 feet to 4 feet wide, and dipping at 40 degs. to 50 degs., are precisely similar to those employed in working the banket beds of the Rand. You will note that the poorest mine in this list, with a yield of only 23s. per ton, pays a profit of 13s., when working at a depth of 800 feet to 1,000 feet; and the average grade ore of 27s. to 30s. gives profits of 9s. to 12s. per ton. The main items that enter into the cost of mining operations may be summarised as follows:—(1) motive power; (2) supplies or stores; (3) labour. These must be taken in connection with the character of the ore deposit, in which the hardness of the ground to be broken, the width of the ore body, and the amount of water to be handled are the chief considerations. I have been unable to obtain the itemised working costs of the properties mentioned in "Exhibit B," but from my experience of mining in California I am largely familiar with the general features of the mining costs there. In regard to the cost of motive power in this country, the item is considerably in excess of that of California, and this is largely due to the fact that water-powers are numerous in the Sierra Nevadas, and are utilised either directly or by means of electricity. Where these powers do not exist timber is usually plentiful. In this respect I think that our Rand mines will show up more favourably within the next year, inasmuch as I believe that you are becoming convinced of the high cost of our coal, due to excessive freight charges. In the matter of stores the same condition exists, namely, a highly increased cost, due largely to excessive railway rates in the Cape Colony and here. In this connection I would submit a statement showing the costs of the chief mining supplies in the extensive mining camp of Butte City, Montana, for the year 1894, and the cost of similar articles in the Transvaal at the present date. (See "Exhibit C.") Butte is an inland town, situated in the heart of the Rocky Mountains, 1,000 to 1,500 miles away from the sea coast, and over 2,000 miles from the source of supplies of drill steel, round iron, piping, etc. From this table you will note that dynamite costs in Johannesburg 3½ times as much as in Butte City, and even with equal percentages of nitro-glycerine, the proportion of cost would be about as three to one. Detonators cost 1½ times as much in Johannesburg as in Butte City; and drill steel is 20 per cent. more expensive here. Common iron costs 44 per cent. more than in Butte, and Norway iron 60 per cent. more; 3 inch pipe is 68 per cent. more costly in Johanne-

Comparative working costs of Californian and Rand gold mines.

burg, and 5 inch pipe is one-third higher in cost. Timber can be obtained in Butte for one-seventh the price demanded here. Mining stulls cost us here three times as much, while lagging poles are thirteen times more expensive. After a haulage of 450 miles from Rocky Springs, Wyoming, to Butte City, coal costs slightly less than it does on the Rand with an average haulage of 28 miles. I have faith that in this also you will apply the proper remedy. The mining conditions are very comparable, as shown by the width of the veins in the list of mines in "Exhibit B," and the depth at which they are being worked. In so far as the hardness of the ground is concerned, the Californian mines as a rule have a considerably softer material to work in. This, however, is largely offset, and in some cases *more* than counterbalanced by the much greater amount of water to be handled, and it is a perfectly fair conclusion therefore, that so far as the natural conditions of the deposits in the two countries are concerned, a comparison of the costs incurred in working them is a fair one. The item of labour comes next, and here I think we shall have some instructive matter for consideration. You will note that the Plumas Eureka and the Sierra Buttes mines, having mills equal in capacity to but 30 and 40 stamps respectively of the Rand type, employ from 230 to 250 white men, or from six to eight men per stamp. This is three or four times the number of white men per stamp employed on the Rand, the difference being offset by the use of kaffir labour. The wages paid to these men in California are 2½ to 3 dollars per day, or roughly from 10s. to 12s. This is a little more than half the average price paid for white labour on the Rand, and considerably less than half where contract work is done, and it must be remembered that contract work prevails here very largely. The salient feature is to be found in the fact that, notwithstanding the employment of white labour at the above rate of wages, mines which would just about pay operating expenses on the Rand are made to yield a large profit in California. We have found that the natural conditions of the ore deposits in the two countries are similar, and the disadvantages that exist about balance one another. The greatest differences in the cost of mining operations in the two countries lie in the cost of motive power, of dynamite, and other stores, and of labour. In the reduction of the first two items we count confidently upon your most necessary assistance. In the matter of labour we know that in California we have largely the same class of miners as are to be found on the Rand to-day, namely, Cornishmen. Why is it, then, that these men are willing in one country to accept half the wages that they require in the other? I think the answer will be found in the simple fact that in America these men go with the idea of settling permanently. They become an integral part of the country. They say to themselves, "This country is good enough for us and our children." Their margin of profit at the above stated wage is almost equivalent to their margin of profit in this country, due chiefly to the difference in the cost of living. But, above all, they realise the fact that they have gone into a country in which they intend to stay and make their home. Here, on the contrary, the aim of nine miners out of ten is to accumulate sufficient money to leave the country, which is not the country of their adoption, as in other republics. And, gentlemen, until it is made so, until the labouring man—who is the back-bone and sinew of any industry—becomes an integral part of your country; until he feels that he can settle here and obtain for his family the necessaries and comfort of life, without this feeling of being obliged to save money in order to get away—until this condition of affairs prevails, we cannot hope to reduce this item of cost to a figure comparable to that which obtains in the United States. Mr. Jennings has shown you what has been done with black labour in other countries, and has pointed out in a clear and forcible manner the latent possibilities of the kaffir, and what we may justly expect of him when properly trained. The point which I

White labour in California and on Rand.

Co-operation of Government necessary for white and native labour supply.

wish to emphasise is, that in the matter both of white and black labour we are dependent on your active co-operation; in the matter of white labour to so alter the conditions surrounding the white workman that his wage may be reduced without impairing the margin of profit which he now receives, and which all acknowledge to be but a fair recompense to the efficient labourer; in the matter of kaffir labour, to increase the supply so that it shall be adequate for the entire fields, and at the same time to so control it that we may succeed in increasing the kaffirs' efficiency, and extending the scope of his work. I do not know whether you quite realise the great importance of the development of the deep level mines of the Rand, and the bearing which the successful outcome of this work will have on the future prosperity of the country. By deep level mines I do not mean such mines as the Geldenhuis Deep, where the shafts cut the reef under 1,000 feet in depth, but I refer rather to those properties where the reef lies at a depth of 2,000 to 3,000 feet from the surface, which properties require the expenditure of a large amount of capital, and the exercise on the part of the shareholders of a great deal of patience before any return can be expected from the outlay. Roughly speaking, in such deep level properties you have more than double the area of ground of the outcrop companies. It will readily be seen, therefore, that if these deep level reefs can be brought to the productive stage, and made to yield a profit, not only will the original faith of those investing in these fields be verified, but the prosperity of the country will also be greatly enhanced. I here submit a diagram of the deep level shafts now sinking upon these fields, showing the depths at which they are estimated to cut the reefs, and the horizontal distances south from the Main Reef outcrop at which they are located. This diagram shows that within the first 1,000 feet from the outcrop there are 8 shafts = 13%

Development of deep levels.

Depths and distances from outcrop of deep levels.

1,000 to 2,000	„	„	„	„	25 shafts = 40%
2,000 to 3,000	„	„	„	„	12 shafts = 19½%
3,000 to 4,000	„	„	„	„	4 shafts = 6½%
4,000 to 5,000	„	„	„	„	8 shafts = 13%
5,000 to 6,000	„	„	„	„	4 shafts = 6½%
6,000	„	„	„	„	1 shaft = 1½%

The last shaft has to go through 3,318 feet of ground before reaching the reef. We have a parallel instance of faith in the value of deep level mines in the case of the Tamarack Copper Mining Company of Michigan, which company sank a shaft of 2,300 feet deep before cutting the copper-bearing lode, spending thousands of pounds on that operation, and waiting nearly four years before the mine became a producer. This mine started crushing in 1886, and has been a steady producer ever since. It has to-day five deep level shafts, and their total depths in the early part of 1896 were as follows:—No. 1 shaft, 3,232 feet; No. 2 shaft, 3,535 feet; No. 3 shaft, 4,450 feet; No. 4 shaft, 4,450 feet; No. 5 shaft, 226 feet. This No. 5 shaft will be connected on the 27th level (3,920 vertical) with shaft No. 2. It will intersect the reef at 4,700 vertical, and is of five compartments. At present this mine has one stope, working at a depth of 4,500 feet, according to the 1895 issue of the "Mineral Industry, its Statistics, Technology and Trade," to which publication I am indebted for many of my figures. The total dividends paid by this property to the close of 1895 were 4,700,000 dollars, or £900,000, with mining ore worth from 20s. to 22s. per ton at a depth of 2,200 to 3,200 feet. The working costs of this property figure at 16s. per ton, showing that even when mining at this depth the average profit in 1895 was 5s. 6d. per ton. I attach statements marked exhibits "E" and "F" showing the costs at this property for the years 1888 to 1894 inclusive, as also those of the Atlantic Mine, which is an outcrop company in the same district, and working during the period mentioned at a

Tamarack copper mine.

History of Tamarack mine.

Dividends and working costs of Tamarack mine.

Atlantic mine.

depth of 850 to 1,250 feet. This latter property is one of the best managed in the world, as it is making a small profit on an extremely low-grade copper ore. The average value of this ore for the year 1895 was 6s. 3d. per ton, upon which they actually made a profit of 1s. 4½d. This mine is, however, an exceptional instance of remarkable economical management. It has also easier ground to mine in than the Tamarack. I have drawn up a statement, which I here submit ("Exhibit G"), showing the total mining, including surface expenses, of three outcrop mines in this copper district, in order to be able to make a comparison with the costs of the Deep Level Tamarack Mine for the same period of six to seven years. The mining costs of these outcrop mines, namely, the Atlantic, Allouez, and Osceola, including surface expenses, average 5s. 2½d. per ton; the same costs for the Tamarack Deep Level are 9s., showing an increase of 3s. 9½d., which increase may be said to be due to the greater depth of mining. These costs exclude transportation and milling, inasmuch as the method of reduction of copper ore differs from that of gold ores, and further, the reduction costs are not affected by the depth from which the ore is extracted. I have worked out the mining costs (including development work) of 22 Rand companies, which show an average of 17s. 7½d. Mr. Jennings has just submitted to you a statement, including a greater number of companies, 29 in all, in which he shows this cost to be 17s. 7·12d., which is nearly double the costs at the Tamarack mine, where they are stoping to-day at a depth of over 3,000 ft. We, of course, have no mines working at such depths here with which we could make comparison with the Tamarack, and the question arises whether such comparison would be a fair one from a mining point of view. To this question I answer, yes; inasmuch as every indication thus far goes to show that upon the Rand the natural conditions will be quite as favourable as they are in the copper districts of Michigan; in other words, that we shall have no disadvantageous increase of temperature for several thousand feet in depth, no undue amount of water, and probably even less timbering to be done than is required in the deep level mines of that district. Hence, the mining conditions admit of comparison, but of course it must be borne in mind that in the Michigan mines they are working on a lode 12 ft. to 15 ft. wide, which width is an important factor in the cheapening of mining costs. If they are to-day extracting in the United States ore that is worth 21s. 6d. per ton, from a depth of over 3,000 ft., and making a profit of 5s. to 6s. upon it, I would ask—is not the same thing feasible here? Given proper conditions, it certainly is feasible; but, under present conditions, we cannot even make an outcrop mine of that value of ore yield a profit. We have a number of deep level mines on the Rand to-day which are unquestionably of much better grade of ore than this, and which will yield a fair margin of profit. I wish, however, to direct your attention to the very large area of medium-grade reef which, if the local conditions are favourable, could be made to yield a profit. Experience gained in the deep mines of the copper district makes it reasonable to expect that, when mining here at similar depths we shall have an increased cost, due to that depth, of approximately 4s. per ton. On the other hand, if in the United States, in a district where the mining conditions are similar, ore can be mined at this depth and placed in the mill for 9s. per ton, is it not reasonable to expect that conditions may be so altered within the next few years in this country as to enable us to do the same work here for 15s. to 16s. per ton, even with our narrower ore bodies? It is true that the Tamarack crushes 392,000 tons per year, but the Simmer and Jack Mine is to-day been equipped with a 280-stamp mill capable of crushing over 400,000 tons annually, and it is certain that in handling medium-grade ores, if we would obtain a profit, we *must* crush in large quantities. If we contrive to mine the deep levels in the near future at the figure stated, we can make a reasonable profit on our medium-grade ores, and, in this event, will make

Value and profit of Atlantic mine.

Comparative working costs of Allouez, Atlantic and Osceola outcrop, and Tamarack deep level mines.

Average working costs of 22 Rand companies.

Comparison of working conditions of Rand and Michigan mines.

Tonnage crushed at Tamarack and Simmer and Jack mines.

productive an immense area of deep level ground, and the life of the industry will be assured for many decades to come. This is the immediate and burning question to-day—how to make our medium-grade outcrop mines payable? But this is inseparably connected with the future of the deep level mines. If we can obtain such reductions in working costs as to render mines yielding 25s. to 30s. per ton profitable investments, we can then look forward confidently to obtaining profits on a similar grade of ore in the deep levels. I appear before this honourable Commission as a citizen of a sister republic, and in so doing am animated by none but the friendliest motives. I feel that I cannot more fittingly conclude my remarks than by reminding you of the memorable words of President Steyn, when, in his address to the Legislature of the Free State on March 11, 1896, he said:—"Here in the Free State, where we have raised the banner of republicanism, where from all quarters strangers are coming to us, is it not a glorious task to incorporate these strangers with us and amalgamate them in one republican people." Gentlemen, I cannot embellish so wise and true a statement. I can only commend it, and the principle that underlies it, to your kind and most earnest consideration. Finally, I beg to express the hope that the evidence which has been submitted here may convince you that the future of this country—not for the next 10 years, but for many times that period—lies in the economical and successful development of the deep level properties of these fields. I believe that a grasp to-day of the conditions that are essential to such development will lead this country to a prosperous, and even brilliant future.

Medium-grade outcrop mines.

Incorporation of uitlanders—President Steyn's dictum

Exhibit A.

Tabular costs of imported mining material from San Francisco.

Table showing cost of 9 tons of mining material (bulky) from San Francisco laid down in Johannesburg:—

	Total cost. £	s.	d.	Cost per ton. £	s.	d.	Percentage of total cost.	Percentage of price in San Francisco.
Price in San Francisco, F.O.B. ...	166	9	5·2	18	9	11·2	44·99	100·00
Freight, San Francisco to New York	31	14	10·3	3	10	6·5	8·58	19·07
Cartage, insurance, fees	7	11	10·5	0	16	10·5	2·06	4·56
Freight, New York to East London	58	1	2·0	6	9	0·2	15·69	34·88
Port charges and landing ...	14	18	11·0	1	13	2·5	4·04	8·98
Freight, East London to Johannesburg	66	19	10·0	7	8	10·5	18·11	40·24
Transvaal duty	12	18	3·0	1	8	8·3	3·49	7·76
Cartage to mine	9	17	6·0	1	1	11·3	2·66	5·93
Exchange	1	9	0·0	0	3	2·7	0·38	0·87
Total	370	0	10·0	41	2	3·7	100·00	222·29

Analysis of Ocean and R.R. Charges.

	Distance Transported. Miles.	Total Charges. £	s.	d.	Percentage of total charge.	Rate per ton per mile. d.
R.R., San Francisco to New York ...	3,000	31	14	10·3	20·24	0·28
Steamer, New York to East London ...	9,000	58	1	2·0	37·03	0·17
Cape Government Railway	286	24	8	8·2	15·57	2·27
Orange Free State R.R.	328	28	0	5·3	17·88	2·27
N.Z.A.S.M.	52	14	10	8·5	9·28	7·45
Total	12,666	156	15	10·3	100·00	

EXHIBIT B.—Sierra Buttes Mine, Sierra County.—Depth of mine, 1,000ft.; average dip, 45degs. Two mills, 50 and 60 stamps respectively, equal in capacity to about a 40-stamp mill on the Rand. Six months crushing, 29,243 tons, yielding 189,196dols.=6·47dols. per ton=£1 7s.; mining, 3·85dols.=16·04s.; milling, ·45dols.=1·96s.; total costs, 18s.; profit per ton, 9s. The average yield of the ore for ten years was 7dols. per ton=£1 9s. 2d., yet they disbursed in dividends 1,360,288dols.=£272,000. The number of men employed in mine and mills averages 250. Working costs of Sierra Buttes mine, U.S.A.

Plumas Eureka Mine, Plumas County.—Depth of mine over 1,500ft. Dip 57degs.; width of vein, 3½ft. (average); 60-stamp mill=30-stamp mill on the Rand, men employed, 229; in six months crushed, 27,789 tons; yield per ton, 7·27dols.=£1 10s. 3d.; cost mining and milling, 4·32dols.=18s.; profit per ton, 12s. 3d. Working costs of PlumasEureka mine, U.S.A.

Zeile Mine, Jackson, Amador County.—Ore yields 5·50dols.=£1 3s. per ton; costs, 10s. per ton; profit per ton, 13s.; depth, 800 to 1,000ft.; vein, 3 to 4ft. wide; crushing, 120 tons per day, 40 stamps. Working costs of Zeile mine, U.S.A.

Plymouth Consolidated, Amador County.—Vertical depth of mine, 1,500ft.; 120 stamps crush 250 tons per day; yield per ton, 13 dols.=£2 14s. 2d.; costs mining, 3·20dols.=13s. 4d.; milling, ·69dols.=2s. 10d.; total costs, 3·89dols.=16s. 2d.; profit per ton, £1 18s. The annual report shows—Gold bullion produced, 1,033,518·29 dols. =£212,658; operating expenses, 331,163·84dols.=£68,141; profit, 702,354·45dols.=£144,517; twelve dividends paid, 600,000·00dols.=£123,456; surplus carried over, 102,354·45 dols.=£21,061. The management and general office expenses are not obtainable for the above mines. They would increase the costs about 2s. per ton. Working costs of PlymouthConsolidated mine U.S.A.

EXHIBIT C.—TABLE SHOWING PRICES OF SUPPLIES

At Butte, Montana, U.S.A., in 1894, and at Johannesburg, Z.A.R., in 1897.

Material.	Butte, 1894. £	s.	d.	Johannesburg, 1897. £	s.	d.
Dynamite per case of 50 lbs. ... ...(a)	1	3	11½	(b) 4	5	0
Detonators per box	0	13	6½	1	0	0
Fuse per coil of 25 feet	0	0	7 11/12	0	0	4⅝
Candles (16 ozs.) per box of 25 lbs.	0	12	4⅖	0	10	9
Drill steel per lb.	0	0	4¼	0	0	5⅛
Iron (common) per lb....	0	0	1⅜	0	0	2
Iron (Norway) per lb....	0	0	2⅓	0	0	4
Pipe (3-inch) per foot	0	1	0½	0	1	9
Pipe (5-inch) per foot	0	2	1	0	2	10
Timber per cubic foot	0	0	7⅕	0	4	1
Stulls per inch of diam., and 1 foot of length ...	0	0	0 3/10	0	0	0 9/10
Lagging poles per foot of length	0	0	0¼	0	0	3⅓
Coal per ton, 2,000 lbs. ... ... (c)	0	19	9½	(d) 1	0	0

Comparative prices of supplies at Butte, Montana, U.S.A., and Johannesburg, S.A.R.

(a) 40 per cent.

(b) 70 per cent.

(c) Includes 450 miles of railage.

(d) Includes 28 miles of railage average.

EXHIBIT E.—ANALYSIS OF EXPENSES, 1888 TO 1894—ATLANTIC MINE.

Working costs of Atlantic mine, U.S.A., from 1888 to 1894.

	1894. Cents.	1893. Cents.	1892. Cents.	1891. Cents.	1890. Cents.	1889. Cents.	1888. Cents.
Cost of air drills, etc. (a)	8	9	8	9	10	11	8
Cost of fuel for engines	7	7	7	6	6	5	5
Other underground expenses ...	51	53	57	67	69	60	58
Other surface expenses	10	10	12	12	19	13	12
Total running expenses at mine ...	75	79	84	95	104	88	84
	3/11½d.	3/3½d.	3/6d.	3/11½d.	4/4d.	3/8d.	3/6d.
Transfer to mill and stamping ...	26	28	28	29	31	31	30
Total running expenses	102	108	112	125	135	119	114
	4/3d.	4/6d.	4/8d.	5/2½d.	5/7½d.	4/11½d.	4/9d.
Construction	45	34	3	11	10	11	8
Total, including construction ...	146	142	115	136	145	133	122
Smelting, freight, and marketing ...	17	18	18	18	20	20	21
Total cost, less construction	119	126	130	143	156	139	135
Total expense to market	165	160	133	154	166	153	143
	6/10½d.	6/8d.	5/6½d.	6/5d.	6/9d.	6/4½d.	5/11½d
Thousand tons stamped	315	316	301	297	278	279	298
Estimated average depth	1250	1200	1150	1000	950	900	850

(a) Pumping also included.

TAMARACK MINE.

Working costs of Tamarack mine, U.S.A., from 1888 to 1894.

	1894. Cents.	1893. Cents.	1892. Cents.	1891. Cents.	1890. Cents.	1889. Cents.	1888. Cents.
Cost of air drills, etc. ...	—	14	18	21	25	21	20
Cost of fuel for engines ...	—	19	24	22	31	33	23
Other underground expenses ...	—	130	134	142	165	151	140
Other surface expenses ...	—	28	26	26	25	30	30
Total running expenses at mine	—	191	202	209	246	235	213
		7/11½d.	8/5d.	8/8½d.	10/3d.	9/9½d.	8/10½d
Transfer to mill and stamping	—	46	49	47	59	64	72
Total running expenses ...	246	237	221	256	305-303	300	285
Construction	60	45	80	124	05	40	01
Total, including construction ...	306	282	301	380	310	340	286
Smelting, freight, and marketing	72	81	77	76	107	107	128
Total cost, less construction ...	318	323	298	332	412	307	413
Total expenses to market ...	378	368	378	456	417	447	414
Thousand tons broken ...	(a)	413	392	330	182	197	163
Thousand tons hoisted ...	—	369	363	301	163	179	152
Thousand tons stamped ...	350	346	339	283	155	169	144
Estimated average depth ...	3100	3000	2900	2800	2700	2600	2500

(a) Estimate not official, affecting all the figures in this column.

Tamarack and Atlantic mines

The expenses after stamping depend really on the amount of copper rather than on tons of rock. The cost of pumping is included in the cost of running the air drills in the Atlantic mine, but not in the Tamarack. The totals vary two or three cents sometimes, owing to neglected fractions, from the results of direct addition. The expense is per ton stamped in the Atlantic mine, per ton hoisted in the Tamarack.

(f) ATLANTIC MINE.—An outcrop mine. Average depth, 1,300ft. Width of vein, 12ft. The record of the output for 1895 was: Value of ore, 14·6lbs. copper per long ton, equal to 0·73 p.c., equal to (at 10·52c. per lb.) 1·5352dols. or 6s. 3d. per ton; cost of mining, selecting, and breaking, 0·7525dols. per ton; crushing and concentrating, ·2220dols. per ton; transportation (three miles) and surface charges, ·0408dols. per ton; freight, smelting, and marketing, ·1881dols. per ton; total costs, 1·2034dols.; profit per ton, 1s. 4½d.=·3318dols.; tons milled, 313,058 tons; product, 4,832,497lbs. refined copper, 508,252dols.=£104,578; average pay of contract miners in this mine for 10 years, 1881-1891, 62·90dols.=£13; average pay of whole force for same period, 51·40dols.=£10 16s. Working costs of Atlantic mine, U.S.A.

TAMARACK MINE.—Deep Level. Width of vein, 12 to 15 feet. Estimated average depth of working, 3200ft.; one stope at 4,500ft. The record of output for 1895 was: Value of ore, 49·72lbs. per ton, equal to 2·49 per cent., equal to (at 10·52c. per lb.) 5dols. 23c. or £1 1s. 6d. Tons crushed and costs not published since 1894. Basing an estimate on the figures for that year, tons crushed about 300,000. (Note: Production cut down 50,000 tons less than in 1894 by accident to the hoisting engine at No. 1 shaft, and the encountering of poor ground in the territory tributary to No. 2 shaft.) Total operating expense at mine, including transportation and milling, 2dols. 50c., equal to 10s. 4d.; expense to market, including construction, freight, smelting and marketing, 1dol. 36c., equal to 5s. 8d.—total costs per ton, 16s.; profit per ton (approximate), 5s. 6d. Working costs of Tamarack mine, U.S.A.

(g) Comparison of costs of outcrop and deep level mines in the Michigan copper district. Table showing mining and surface expenses per ton milled, over a period of six to seven years. Does not include transportation and milling.—Width of ore body, 12 to 15ft. Outcrop mines.—Atlantic: depth, 850ft. to 1,300ft., 3s. 8d.; Allouez, depth over 1,000ft., 5s. 10d.; Osceola, depth over 1,000ft., 6s. 2d. The average cost per ton was 5s. 2½d. Deep Level.—Tamarack, 2,500ft. to 3,100ft., 9s.; increased cost of mining due chiefly to depth, 3s. 9½d. The Tamarack crushes 392,000 tons of 2,000lbs. per annum. The Atlantic crushes 371,000 tons of 2,000lbs. per annum. The Allouez crushes 115,000 tons of 2,000lbs. per annum. The Osceola crushes 229,000 tons of 2,000lbs. per annum. Comparative working costs of outcrop and deep level mines, Michigan, U.S.A.

Mr. *Smit.*

In quoting your railway rates from this Republic, did you only quote rates between Johannesburg and Vereeniging, or the whole of the Republic?—They are only from Vereeniging to Johannesburg. Railway rates from Vereeniging to Johannesburg.

Do you know the tariff charged between Vereeniging and Johannesburg is higher, *pro rata*, than the money charged by the same company on other lines?—No.

In making a comparison, you say that workmen have to be paid higher here on account of the cost of living here; but does not the same apply to those working in the manufacture of dynamite and on the railways?—But, in the matter of dynamite, is not a large quantity brought into the country—that is, there is not much labour employed on it. Cost of living of white miners on Rand.

There is a very great staff of white men.—Is not that a misapplication of energy? Why not put that labour in the countries where the materials and labour are cheaper.

You will, of course, make allowances that dynamite made in this country will cost more money made here than the cost price of that imported?—Unquestionably. Therefore I object to its being made here.

You have had a lot to do with mines in California?—Yes.

You say that circumstances are very much easier there than here?—I say so in the matter of motive power. Working conditions in California.

Mining pays better there because the motive power and the labour are cheaper?—Yes.

This being so, why didn't you go back to California when you found that mining was so much cheaper than here?—Most engineers come out here under an engagement entered into before leaving.

Incorporation of uitlander mining population in State.

In which way do you propose to make workmen an integral part of the Republic, and offer them sufficient inducement to stay here?—I feel that is a question that is better answered by a statesman of the country. I feel it has a vital bearing upon the economic working of our deposits here. Deep levels are a matter for the future, and I am trying to bring forward to your attention the immediate necessity of making workmen an integral part of the Republic, and that to work the deep levels economically we must unite the bone and sinew in the interests of the country.

When did you frame your statement?—The latter part of last week.

Mr. Hennen Jennings' evidence

Did you, more or less, co-operate with Mr. Jennings?—No; my statement is entirely independent of his.

Still you refer to Mr. Jennings' declaration in a couple of instances?—Yes.

You must have known last week what Mr. Jennings would say?—Mr. Jennings read me a large portion of his statement yesterday afternoon.

And you have consulted him about your declaration?—No.

Mr. *de Beer*.

Cost of native labour supply.

You have stated that it cost one of the mines £6 7s. to deliver a "boy" on to the mines. How do you arrive at that?—By dividing the total cost expended in procuring "boys" by the average number working.

How do you arrive at the total cost?—By the totals paid, less the amount refunded.

But in what way is the money spent?—I do not know that.

How do you arrive at your figures?—I take them from the secretaries' statements at the company's office.

The amount you quoted differs very largely from that by other managers. The highest figure quoted up to the present is £2 to deliver "boys."—These are the secretaries' statements taken from the annual report showing the amount charged to that account. I think you will find these figures agree with those given by Mr. Goldmann.

Contract work.

It is new to me that most of the work, as you have stated, is done under contract?—"Largely prevails here," is the expression I used.

You think that miners earn much more working by contract than by shift?—Many miners earn more, and I think Mr. Catlin's statement is in support of that.

That is the bonus system?—I mean the contract system in its broad sense.

I understand by contract work you mean piece-work?—Literally it does mean piece-work, but I used the term in its broad sense.

White wages.

But is it not very difficult under these circumstances to give a correct average of wages earned by white miners?—Not necessarily. In any one mine you may have a given number of contractors, and their pay must show on the pay rolls. In the same way you may take the number of men on day pay; then it is very easy to make an average on the total of men you employ.

But you still don't give the Commission a fair idea of the wages actually earned when you say that a man in receipt of a salary of £18 a month may earn £50 or £60 under the bonus system?—Well, I think these figures have been gone into with great detail by Mr. Sydney Jennings and Mr. Hennen Jennings, and if I remember rightly they gave the average at about £24.

Unfortunately they were not questioned on contract work.—Contract work does not greatly exceed that average pay, in my experience. You will never, in any part of the world, get a miner or any other class of workman to work by contract for the same money exactly as he will work by day. A contractor expects to put in some of his own time. If he works overtime, that is his own personal investment in the work he has in hand, and he expects to come out above the day-pay man, because he feels he has devoted more time to his work.

Contract and time work.

Are there no miners' licences in America—that is, have the mine workmen to pay any tax to the Government—say 7 dollars per month?—They only pay their taxes as citizens.

No miners' licenses in United States.

Are you certain there is no such licence as the one I refer to?—Absolutely certain.

Chairman.

You have already stated, with many other witnesses, the wages paid and the cost of living in California, compared with the wages and the cost of living here. I want to know whether the rate of wages paid here is higher than the rate paid in America, compared with the cost of living?—I think so.

Comparative rate of wages and cost of living in United States and on Rand.

How do you reconcile that with your statement, if you say that most miners come here to make money, whereas in America they stay?—From the fact that the majority have not their wives and families with them here. If you refer to the married men who settle here with their families, then I would say the cost of living here is excessive.

Here they must make more, for they have the cost of coming out and the expenses, the sending money home to their wives, and yet they save money here?—Yes, unmarried men.

Still, as long as he works here he must send money home to his family, and also he must have money to go home again.—I think that makes the point very clear, that men do not and cannot settle here.

What would be the comparison of the population of the goldfields here and the goldfields of California?—The goldfields of California are much more scattered. You have camps there of from 1,000 to 3,000 people spread over a length of hundreds of miles of mining ground.

Comparative population of Rand and Californian gold fields.

And in these camps is there any other occupation besides gold mining?—On the western slopes of the Sierra Nevada, immediately below the mining camps, there is a fertile district.

When was the gold first discovered in California?—In 1849.

Discovery of gold in California.

When did the United States come into existence?—As the United States, in 1776.

Do you know how long this Republic has been in existence?—In the neighbourhood of 50 years.

And the goldfields here?—To put it roughly, about 11 years.

When was the first railway built in the United States?—I do not know exactly; I think at the beginning of this century, 1820 to 1830.

First railway in United States.

I am very pleased to learn about all the other countries, and to take example from them. Other witnesses have given comparisons between other countries and this. I think everyone will agree that, unless you can change the whole economical position of the Republic in one day, it is impossible to make a just comparison between mining here and what it is in the old countries. The development and progress of the country marches with the times, and you may be convinced that the Commission will do everything in their power for the industry. I am sorry that all who have given evidence have only given the position of affairs, and how you desire them to be, without giving

Commission intends well towards mining industry.

a way out, still, I am in hopes that some of the other witnesses will point a way out.—I do not wish to take up the position of a mentor. In alluding t countries, I only point out what has been accomplished, though it is with the h we may accomplish the same thing here, and I realise fully it will be a ques great difficulty, and I think a great deal depends on starting rightly. I fully that the Mining Commission is ready to aid us in every way possible, and I that the ways out of the difficulties are matters for serious consideration and th discussion. The only thing a witness can do is to make suggestions, an suggestions are only the opinions of one man, whereas if you had an advisory as has been suggested, to work in conjunction with the representatives of the in a way out will be clearly found.

Advisory board.

Mr. *Schmitz-Dumont.*

Deep levels.

When you talk of deep levels you do not mean to comprise mines l Bonanza, which strikes the reef under 1,000 feet?—Exactly.

Deep level mines of 2,000 or 3,000 feet.

What you call a deep level is a mine 2,000 or 3,000 feet deep?—These mines to which I wish to draw the attention of the Commission.

Have you not seen in the papers that the Bonanza and Geldenhuis D always mentioned as models or examples of deep level mines?—An engine very little attention, as a rule, to the ordinary everyday expressions. He c his own conclusions.

I see it in all the papers. It is always the Geldenhuis Deep and the Bon examples of deep level mines?—Let me explain the distinction I wanted to dr is that some of the outcrop mines are to-day working at very nearly the same depth from the surface as these mines. When you are a few hundred feet less under the maximum of, say, 1,000 feet, it affects the working cost mu Look at the working costs of the Geldenhuis Deep, and you will find they ar ing about the same cost as the outcrop mines, which goes to show that at th the depth is not a vital factor. But when you get to 2,000 or 3,000 feet then th does become a vital factor, and that is the point I wish to draw your atter for consideration.

You don't wish to judge the future deep levels by the Geldenhuis a Bonanza?—Certainly not.

If the papers say the future of the deep levels depends on the future Geldenhuis and Bonanza, you think they are wrong. You don't agree wi opinion?—Everyone has a right to his own opinion. I don't say they hav marked influence. In deep level mining we go step by step as the indus gresses. When a man finds he can work at 1,000 feet and make a profit, are doing at the Geldenhuis Deep, then he thinks he will try 2,000 feet. Th index, and the Geldenhuis Deep is more of an index because it is a medium gr whereas the Bonanza is a very rich grade.

Don't you think the Robinson and the Ferreira Deep, or any of those, wo far better index than the Geldenhuis of the future?—Of the future of what?

Of the future indications of deep levels—of the cost of working deep l the future.—Of the mines I am alluding to; yes.

You said at the Tamarack Deep Level mine a ton of quartz cost 9s. to n The mining and surface work.

Comparative working costs of outcrop and deep level mine.

And for the outcrop of the Tamarack mine it only costs 5s. 6d.?—Wha was that the average cost per ton of three outcrop mines was 5s. 2½d.

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Reduction of cost of dynamite would increase consumption.

of the additional mines that would be worked in this State, but because a reduction would admit of a more extended use of air drills in actual mining work, which would necessitate increased consumption of both dynamite and coal. In mining with air drills, about double the quantity of dynamite is used per ton, extra coal is required for compressing air, and less kaffir labour needed. The average cost of blasting gelatine per foot driven by hand labour in developing the reef in the Ferreira mine is 7s. 5·9d.

Cost of blasting gelatine at Ferreira mine.

	£	s.	d.
In driving 3,746 ft. by air drills, the average cost of gelatine per foot was or about three times the quantity required by hand labour.	1	1	3·4
In stoping 717 square fathoms of reef by hand labour, the average cost of gelatine per square fathom was	0	17	1·8
In stoping 899 square fathoms of reef by air drills, the average cost of gelatine per square fathom was ... ... or 1·63 times the quantity used by hand labour.	1	9	8·6

The cost of blasting gelatine per ton mined by the Ferreira company in 1896 was 1s. 9·35d., or, calculated on the tonnage milled, 2s. 7·63d. With regard to the high railway rates on coal and other materials, which so adversely affect the mining industry in this State, I will avoid, as far as possible, going over ground already traversed by former witnesses, and merely state some of the rates charged by the Madras Railway Company in India. The distance from Madras to the Colar Gold Fields in Mysore is about 170 miles, and the difference in elevation about 3,000 feet. Coal is carried to the gold fields at the rate of eight pies per long ton per mile, equal to 0·54d. per short ton per mile. Firewood is carried at ½d. per ton per mile, and machinery at 1d. per ton per mile, while for large quantities lower rates could be arranged. If coal were carried over the Netherlands Railway at the rate of 1d per ton per mile, the saving to the Ferreira and Worcester companies would be £5,706 per annum on the basis of last year's consumption, and if provision were made for delivering coal in bulk without bagging, a further 2s. 6d. per ton could be saved, which would reduce the cost of coal delivered to those mines to 13s. 5d. per ton. I agree with the statements made by Mr. Goldmann and others in connection with native labour. A native in the employ of a mining company is well fed, and the wage he is paid is almost as much as that of a white labourer in Europe, who has to feed, clothe, and house himself and family. The great difficulty experienced in reducing the native wage, and keeping it down, is the frequent scarcity of native labourers and the high cost of bringing them to the mines. I am of opinion that the Government could greatly assist the mining industry in reducing the native wages to a normal standard, if it could find means to induce the natives in the North to work in the mines, and would see that the Native Commissioners should not charge mining companies, or their accredited agents, for natives procured from their "districts," by reducing the railway tariff for bringing natives to the mines to a minimum, and by doing all in their power to assist in bringing natives to the mines. A constant and ample supply of native labourers is necessary to fix and adhere to a low standard of native wages. Frequent reductions of pay tend to impair the quality of available native labour—a matter of no small importance to the mines. In affirming Mr. Goldmann's statements in relation to the Pass Law, I would mention that I was a member of the deputation that waited upon the Government in connection with the draft law, before it was submitted to the Volksraad. After explaining to the Government the advantage of preventing the desertion of natives from the mines, the deputation stated that they did not propose to ask the Government to provide funds from its revenue for the administration of the Concept Law, but proposed that an extra tax of 1s. per

Railway rates.

Madras Railway rates for fuel.

Ferreira and Worcester coal expenses.

Reduction of native wages.

Government co-operation to supply native labour necessary.

Pass Law.

head per month be levied on the natives for that purpose, and thought that the sum so raised would be required for its efficient administration, and had inserted a clause in the draft Concept Law, providing for the expenditure of the whole of the amount, if found necessary. To this the Government expressed their approval, but the clause referred to does not appear in the Pass Law, and I understand that at present little more than one-sixth of the revenue derived from the extra 1s. tax is expended in the administration of this law. The Pass Law, if efficiently administered, would save a large sum of money annually to the mining companies now lost through desertions, as at present it not only affords us no protection against desertion, but actually encourages it. As an instance, a native found without a pass in the Johannesburg district is usually fined 60s., while in the Boksburg district the fine for a similar offence is usually 20s., and has been as low as 3d. If I get a fresh supply of natives from the East Coast, at a cost of 60s. per head, of which each native agrees to refund 55s., they find out within a few days that by deserting to the Boksburg district, and submitting to a fine of 20s. they save 35s., consequently many desert, and my company loses the money advanced to bring them to the mine. The following returns from seven companies, sent in to the Association of Mine Managers, show the number of deserters from each company from the date of the Pass Law coming into operation to the end of March last:—

Maladministration of Pass Law.

Desertion returns

	Deserters.
City and Suburban G. M. Co., Ltd.	1,323
Worcester Exploration and G. M. Co., Ltd.	223
Minerva G. M. Co., Ltd.	116
New Heriot G. M. Co., Ltd....	703
French Rand G. M. Co., Ltd.	300
Crown Reef G. M. Co., Ltd....	1,030
Ferreira G. M. Co., Ltd.	1,480
Total ...	5,175

These desertions would probably represent a loss to the seven companies of from £5,000 to £7,000, as most of the desertions occur shortly after the natives arrive at the mines.

Loss of Ferreira mine through desertions.

From the beginning of 1896 to the end of last month, the Ferreira company expended, in bringing natives to the mine, £6,648 9s., of which £3,026 17s. 6d. have been refunded, leaving a balance of £3,621 11s. 6d. not recovered, of which I estimate nearly £2,000 is lost through desertions.

Of the 1,480 deserters from the Ferreira mine mentioned above, 19 only were recovered; 12 of these were returned by compound managers of other companies, and seven were found by our private police in another company's compound, and were recovered through the aid of the Pass Law officials. As administered, the Pass Law also bears heavily upon mining companies situated at a distance from the pass offices. Take the case of the Randfontein companies, who have to send their natives a distance of about seven miles to Krugersdorp to get district passes and badges before they can allow them to work; and frequently, I am informed, a man with a gang of natives has to return without passes or badges, owing to pressure of work in the pass office, and the journey has to be made a second time. This causes some of the natives to desert without having worked a day for the company, and the cash advanced to bring them to the mine is lost. The Association of Mine Managers, has, on several occasions, complained to the chief pass official in Johannesburg and to the Mining Commissioner, through whose office, I understand, communications from the pass officials have to pass to reach the Minister of Mines. On the 10th September last, the Association of Mine

Randfontein companies and Pass Law administration.

Complaint against Pass Law made by Association of Mine Managers.

Managers was represented on the deputation that went to Pretoria, to lay the grievances of the industry, relative to this law; before the Minister of Mines and the Government. Not being able to meet the Government that day, and the Minister of Mines being absent, the deputation had an interview with the Assistant Minister of Mines, Mr. Liebenberg, and discussed the matter with him. About the 15th September last, the Chamber of Mines, Association of Mines and the Association of Mine Managers, sent in a joint petition to the Government, pointing out the chief defects in the administration of the Pass Law, praying for certain alterations in its administration, and for an increase in the fines imposed on natives found in the labour districts without pass or badge. So far as I am aware, nothing was granted beyond the increased fine, and that, which under good administration would have been of great assistance to the industry, now frequently operates against it, in encouraging the desertion of natives as explained above. On 11th December last, the Assistant Minister of Mines, Mr. Liebenberg, came over to Johannesburg to discuss the working of the Pass Law with a committee of the Association of Mine Managers, with the result that another petition to the Government, praying for more efficient administration of this law, was being drafted by the managers, when we heard of the appointment of this Commission, and the Association decided to wait and lay its grievances before you, in the hope that you will see fit to recommend to the Government the advisability of granting the wishes of the industry as expressed in the joint petition referred to above, and to see that the chief aim of the administration of the law shall be the prevention of desertions, as intended by those who framed it. The inefficient administration of the Liquor Law increases the cost of native labour on the mines, because we have to feed and keep a great many natives that would be unnecessary if they were unable to procure liquor, and frequently natives are rendered unfit for work through the effects of liquor shortly after they go into the mines, and are unable to do anything approaching their due amount of work.

Petition of Chamber of Mines, Association of Mines, and Association of Mine Managers regarding Pass Law.

Further complaints of Association of Mine Managers regarding administration of Pass Law.

Maladministration of Liquor Law.

The alterations in the Liquor Law, prohibiting the sale of liquor to natives, came into force on the 1st of January last, and during the month of January comparatively few natives were off work, and but few cases of drunkenness were observable among them, but from the end of January the sale of liquor to natives has been on the increase. During the month of December last, the average number of the Ferreira company's native employees off work, chiefly through drunkenness, was 338. In January, when the alterations in the Liquor Law came into force, the number fell to 83. In February the number increased to 126, and in April the average number off work was 339, so that, as far as the Ferreira company is concerned, we have as much drunkenness among our natives now as prior to the amendment of the law prohibiting the sale of liquor to natives. The question of reducing the wages of white miners on these fields is one that must be approached with a great amount of caution. Our miners are not, for the most part, ordinary labourers, but men who have had many years' experience of mining work, the majority of them having gained experience in various countries. These men have mostly been trained to mining work almost from childhood, and cannot be replaced by men of little or no experience. With the miners we endeavour to keep in our mines, it is not a question of drilling a hole and blasting it, but of supervising the work done by the natives; and the miner who can direct his holes so as to break the greatest quantity of reef with the least expenditure of explosives, is the least expensive man we can employ. To a layman it would hardly seem possible that there could be 30 per cent. difference in the amount of work done by one miner of long experience with a gang of natives, more than by another of equally long experience working as many natives under precisely similar conditions, yet this is often the case, as the Ferreira Company's books will testify.

Ferreira Company's employees and Liquor Law.

Reduction of white wages.

Value of experienced white miners.

The conditions prevailing here differ from those of many other countries; the brute force required in mining we endeavour to get from the natives, while we aim to get intelligence and energy in our white miners, and if we have to pay a little more for it, it is, nevertheless, the cheapest labour we can employ. In 1890, we paid £10 per foot for sinking one of the Ferreira shafts, then 200 ft. deep, while to-day we pay £5 5s. per foot for sinking the same shaft nearly 1,600 ft. deep, which shows the difference in the class of labour we employ to-day, and that we had available in 1890. A reduction of 47½ per cent. in the cost of shaft sinking is comparatively an unimportant item to a producing company—but a matter of vital importance to a deep level company, whose work consists chiefly of shaft-sinking, and where speed is the main object until the reefs are reached and the mine developed sufficiently to supply a stamp mill. The most skilled miners obtainable are requisite for this work, and the extra wages they may make on either the contract or the bonus system, would be more than compensated by the standing charges of the company if the exploratory work be conducted slowly. In my opinion the standard wage paid to the white miners on these fields to-day will not admit of a reduction until the cost of living, house rent, etc., be considerably reduced. The acknowledged standard wage of a white labourer all the world over is the amount a man can live upon with a wife and family, and I think but few miners can do that on these fields on £4 10s. per week. The most skilled miners can always earn more than an ordinary mine labourer if working on contract; and, after nearly sixteen years' experience in managing gold mines, I am of the opinion that the contract system for our mines is the best for securing the most efficient white labour, and keeping the mining expenses low. A more suicidal policy could not be adopted at the present juncture than that of attempting to reduce white wages, after aiming for years to secure the most efficient labour, which, although more highly paid, is the least expensive we can employ. In 1887 an attempt was made, on the Indian gold fields, to reduce working expenses by importing cheap labour, and a considerable number of Italian mine labourers were brought out at about half the pay of the English miners employed. The attempt at reduction proved a failure, because, as in this State, the miners were required to supervise native labour, and it was found that intelligence and energy were required, and proved the cheapest at double the price. Within 18 months the low wage men had practically disappeared from the gold fields. If we were to reduce white miners' wages under present conditions, we would drive the best miners away from these fields, because skilled miners are in demand in any mining country, and they know it, while we should be taking a step that would land us nearer the working costs of 1890 than of the reduction we aim at. White labour constitutes a very important item of expenditure on our mines, and if through a reduction of railway rates, duties on food stuffs, etc., cost of living becomes sufficiently reduced to enable our white employees to settle here with their families, much of the money now being sent to other countries would be spent here. Some time ago I was informed, on reliable authority, that £10,000 per month was being sent from these mines into one mining district in England, to keep the wives and families of our miners. The question naturally arises, how much of the money thus sent out of the State could be kept here by a liberal policy of the Government, and to what extent would it affect the prosperity of the State? It has been suggested that if the Government assist the mining industry by reducing railway rates, cost of dynamite, etc., the leading members of the industry must also do something towards reducing expenses. I would point out that the labours of the Chamber of Mines, Association of Mines, Association of Mine Managers, and the Chemical and Metallurgical Society, have all along been directed to that end. As an instance of the advance made by the mining industry during the past few years, the Ferreira Company's working expenses

White wages in contract work in 1890 and in 1897.

White wages not at present reducible.

Contract system in white labour

Failure of reduction of white miners' wages in India.

Results of reduction of white wages.

Cost of living of white miners reducible by Government action.

Reduction of working costs of Ferreira Company since 1892.

Details of reductions.

per ton mined in 1893 were 15·42 per cent. less than in 1892; in 1894, 15·82 per cent. less than in 1893; in 1895, 20·62 per cent. less than in 1894; and in 1896, 4·43 per cent. less than in 1895—making a total reduction in 1896 on the expenses per ton in 1892 of 45·99 per cent. The reduction made is chiefly due to:—

(*a.*) Improved quality of labour.

(*b.*) Sorting the ore as it comes from the mine, by which means an average of 35 per cent. of the rock mined since March, 1893, has been picked out and discarded as valueless, thereby increasing the value of the ore milled by an average of 56·19 per cent., saving the cost of transporting, milling, concentrating, and cyaniding 160,000 tons of waste rock, and increasing the value of the output by over £600,000.

(*c.*) Expenditure of large sums of money for equipping the mine, with the latest and most improved machinery.

(*d.*) Improvements in the methods of treating tailings by cyanide, whereby the cost of treating has been reduced from 11s. 1·32d. (exclusive of royalty on the process) in December, 1891, to 2s. 6·15d. in December, 1896.

Reductions in working costs made by mining industry.

These improvements in the working of our mines are due to the combined efforts of those on whom the responsibilities of the mining industry have devolved, and should lead this Commission to see that those men have not been idle, that they do not now come to you and ask that the Government should make the first move in bringing about a reduction in working expenditure to enable the majority of mines on the Rand to continue operations, but having done their best in the matter, they feel justified in asking that the Government should do something in fulfilling its obligations to the industry, which is the mainstay of the State, and on which its prosperity chiefly depends.

Chairman.

Maladministration of Pass Law.

You stated in your evidence that the Pass Law, instead of assisting the industry, assisted the kaffirs to run away?—Yes, as at present administered. As I pointed out, if we pay 60s. per head to bring boys here, and they agree to refund us 55s., they go to Boksburg and pay a fine of 20s. per head, and save 35s. per head.

But a kaffir does not get anything out of that? He only owes 55s., he does not make a direct cash profit, he only gets rid of a debt.—He gets rid of a debt, and we incur a loss. It costs us 60s. to bring the boy, and we reckon that we advance him 55s., which he agrees to repay, but by leaving this district and going to the Boksburg district he gets rid of that liability by paying 20s.; so that after paying 60s. we get no labour out of the boy.

But the fine inflicted on the kaffir is only because he has no pass. But that does not do away with the fact that the boy can be brought back to the place he deserts from.—Yes, but if the Pass Law were properly administered it would prevent desertion.

That is the intention of the Law.—Yes, we don't complain of the Law, we complain of the administration.

The question is this. Suppose your kaffir runs away and is caught at Boksburg by the police, without a pass, the officials there can only punish him for being without a pass. But who is the person to give information to the officials there whose nigger this is they have caught without a pass?—The fact that the officials do not get information shows plainly that the administration is faulty.

If they catch a nigger at Boksburg without a pass they know he is a deserter, and fine him, but how are the police to know whose nigger he is?—We give notice

to the pass officials in our district when our natives desert. We hand to the pass officials the district passes of the deserters, which give the general description of each native, and the number on the badge worn by him. These particulars should be sent to the pass officials of the other districts. The Pass Law, in its operation, is divided into three districts. If I manage a mine on the border of one district, and my kaffirs desert and go to the adjoining mine in the other district, the pass officials in that district will not help me to recover my boys. If the Pass Law in these fields was in the hands of one administrator he would be able to regulate matters in the three districts.

District administration of Pass Law.

Do I understand that there is a separate chief of the Pass Department for each district ?—There is one for each of the three districts.

That is one for Johannesburg, one for Boksburg, and one for Krugersdorp ?—Yes. One fault that we have to find with the administration of this law is that the fines are not in proportion in the different districts, and that tends more than anything else towards desertion. In our petition to the Government we asked for a Special Judicial Commissioner for the three districts, who would regulate the fines so that they should not be more in favour of one district than another.

The fines are all the same, from £1 to £3, and it is in the discretion of the different judicial authorities to impose what fine they think fit ?—If we had one Special Judicial Commissioner for the three districts he would impose the same fine for the same offence.

One of the officials met me and pointed out that when he fined the boys heavily it often happened that they could not pay the fines and had to go to prison. The tronk became full in consequence. These boys were never fetched, so that they could return to the mines, but had to remain in the tronk until their time was served, and then when they came out they had to obtain a working pass. For that reason the official imposed lighter fines, so that they could return to the mines.—Yes, that is the fault of bad administration of the Pass Law. If there were an efficient detective staff, who did their duty and looked up deserters, there would be no necessity to put the boys in prison. There is more than enough money provided to properly carry out the Pass Law, but the money is lying idle. If it were expended the law could be carried out.

Inefficiency of Pass Law officials.

Then, I understand from you, the law is a good one ?—Yes, I think it is. I do not complain of the law. The law, in itself, is a good one.

You think that more detectives should be appointed ?—Yes, and I think that if the Government appointed one able administrator to carry out the law in connection with a general committee appointed from men who understand the requirements of the mines, I think the law could be successfully carried out, and would be a blessing to the community.

Mr. *de Beer.*

How do you arrive at your figures, when you say that you pay £3 per boy to be delivered here ?—I have not the figures by me, but I understand they have already been placed before the Commission. I have paid as much as 70s. to get boys here, the lowest figure paid for bringing natives from the East Coast being 57s. 6d. The East Coast natives make the best mine boys, as they stay longer, and get to do better work, and it is the better quality of labour that pays us best.

Cost of native labour supply

You say that the Native Commissioners charge for the natives in their districts. From which direction do these natives come which cost 60s. ?—From the East Coast.

Remunerations demanded by Native Commissioners for supply of natives.

The boys the Ferreira Company have had to pay for came from the north of the Transvaal.

How much per head does the Native Commissioner charge?—Well, I will tell you what I know about it. Men were sent up to get natives, and I communicated with them. They informed me that they had to pay 10s. per head for every boy they got from the Native Commissioners. At any rate, the company had to pay that amount. I believe my agents, especially one I sent up as a test, but I cannot prove that it is the case. I only tell you that the company had to pay the money for every boy we got down.

Personally, you don't know?—No, I could not swear it is the case.

Reduction of cost of explosives.

About explosives. Is it not too much to propose a reduction of 50s. per case?—I was even then allowing the Government twice as much as they get now.

How do you bring it out you want to reduce the price of blasting gelatine by 50s.?—I said that if it were reduced by 50s. we should save that much money.

But you proposed it as a feasible thing?—Yes.

What is the cost price here?—£5 7s. 6d.

What can it be landed for here?—I cannot give you the exact figures, but it has already been put before the Commission.

But no one has even yet proposed a reduction of 50s. per case?—Well, I cannot give you the exact cost of manufacturing it; still, judging from other countries and the price they pay, I think it could be delivered to us for that price, and a good profit made.

Gold thefts.

Can you suggest any remedy against illicit gold buying?—Yes.

What percentage of amalgam is stolen, do you think?—That I could not say.

Can you suggest a remedy?—Well, I think an efficient detective department would greatly reduce the amount stolen.

Reduction of working costs.

In your statement you say that the working costs showed a reduction of 46 per cent. between 1892 and 1896. I must take it that the industry is working under far more favourable conditions. How do you account for the depression with the improvements for working under better conditions?—In 1892 there were not so many low-grade mines at work, and only the richer mines could pay at the high cost of working at that time.

Sorting.

Is sorting in general use now?—It is becoming general.

That also improves the position 20 per cent. or 30 per cent?—No. I think the percentage sorted out by dividend-paying companies was given by Mr. Jennings yesterday as 6 per cent., whereas we have sorted out an average of 35 per cent. since 1892. I was the first to start systematic sorting on the fields, and have probably worked at it closer than they have done in any of the other mines.

Mr. *Smit.*

Remuneration demanded by Native Commissioners for supply of natives.

You have got no other proof that the native commissioners take payment for boys except the statements of agents?—No, but many agents have been sent up by the various mining companies, and have made similar statements.

They never mentioned the names of those commissioners to you?—Not that I am aware of. I don't remember their doing so. Many other managers have told me they also have had to pay.

It is stated by the companies that money is spent in that way, but don't you require a receipt or some proof that the money is expended, for it is possible that the money may remain hanging somewhere on the road?—It is possible, but not probable. Many managers, I understand, have sent up special agents, and these agents have come back with the information that it was necessary to pay this money.

Do you think that gold thefts could be prevented by a better staff of detectives?— Probably by a greater number of detectives, provided they are honest. If you get honest detectives, then I believe that the illicit traffic could be stopped to a very great extent. Gold thefts.

You think that the detectives would be able to find it out after the occurrence, but as a preventive measure, the managers should try to stop the thefts themselves. You know you cannot expect the Government to place detectives on the mines to watch them. These precautions should be taken on the mines?—They are to a great extent. We do all we can, in the first place, by getting the best men we can. We get men of fairly good standing, who, we think, would be ashamed to do wrong. I will give you an instance. On the Ferreira, the mill manager is a Colonial Dutchman. I suppose one-third of the men are Colonials, whose families are of good standing at the Cape. We have one or two Americans, one or two Englishmen, one or two Irishmen, and one or two Scotchmen. We mix them up as much as we can to prevent, as far as possible, any collusion between them.

By whom are those thefts committed—by men on the mines or by outsiders?—I think it is done, when it is done, by the amalgamators, because the amalgamators are the only ones who could handle the amalgam.

Mr. *Hugo.*

I understand you to say that dynamite costs £5 7s. 6d. per case?—Gelatine (we don't use dynamite), plus 2s. carriage, costs £5 9s. 6d. Cost of gelatine.

You suggest that it should be reduced by 50s. per case?—I don't make it as a suggestion. I thought the suggestion had already been made. I simply take the 50s. as a basis for calculation.

Still, you seem to arrive at 50s. as a reasonable reduction?—Without being able to give you the details of the cost, I think, judging by prices in other countries, it could be delivered to us at that price.

Then you say that if this reduction were effected, the Government would still make a greater profit than they do now?—Yes, if, as I understand, the Government only gets 5s. per case now.

How do you arrive at this estimate that there would be so much profit to the Government? At what price could gelatine be delivered here? I suppose you refer to the imported stuff?—Certainly. I don't think that anyone would argue that it could be made here as cheaply as it could be imported. Blasting gelatine now costs us £5 7s. 6d. per case. If this could be reduced by 50s. per case, and another 10s. be taken off for the Government, this would reduce the amount to 47s. 6d. per case, or 10s. more than the price for which it has been stated dynamite can be delivered here, and I think we would be able to get gelatine at that price.

MR. JOSEPH BENJAMIN ROBINSON was the next witness called, and said he had been in Johannesburg ever since it was of any account. Mr. J. B. Robinson's evidence.

He then made the following statement:—I wish to say that the gold industry may well be congratulated on the fact that the Government have appointed a Commission for the purpose of investigating matters connected with both the mining and commercial enterprises which have done so much to build up the prosperity of this State. It is also a matter for congratulation that the Commission has gone so fully into the various questions brought to their notice, and is exercising such patience in their enquiries into all those reforms which are so necessary to advance the interests of the South African Republic. I am sure the Commission will realise that whilst the Industrial Commission of Enquiry.

present misunderstanding exists on the gold industry, there will always be more or less a severe tension in the financial position of the State; and the Commission will also no doubt consider well the circumstance that, whilst the Government and the industry are not acting in conjunction, the prosperity of the State must be retarded, and every individual inhabitant of the country must, to a certain extent, suffer from this want of harmony. I am, therefore, very pleased to see that the Commission has shown so keen an insight into the important matters to which their attention has been directed, and have, in a calm, impartial and judicial manner enquired into the wants of the community. May I add that everyone who is carefully following these proceedings from day to day feels gratified that there is evidently a determination on the part of the Commission to do their utmost to bring about a better state of feeling, and a strong and permanent unity of the various interests concerned in the prosperity of this Republic. The questions which are now before the Commission have been fully enquired into, and a great deal of evidence has been given to show where the pressure comes from which is so seriously interfering with the proper working of the mines, and is exercising such a baneful influence not only upon the community of the goldfields, but throughout the whole State. The first matter to which I wish to refer is the railway. On this subject the Commission has elicited evidence which proves conclusively that the tariff is far too high, and that this high tariff is really injuring the welfare of the State. Figures have been adduced by different witnesses to show that the existing tariff is abnormally high, and that the oppressive rates which are being paid upon all goods imported into this country, as well as the excessive coal rate, constitute a great injury to the gold industry. What we seriously want to arrive at is the exact amount to which we can reduce the working cost per ton of ore taken from this or that mine. I have gone into figures, and I consider that if we can reduce the cost of each ton of ore by 5s., that will place the whole industry on a sound basis, and will remove the disabilities under which the poorer mines labour at the present moment. I may mention that we are crushing in the aggregate at the rate of about five million tons of ore per annum. If, therefore, a reduction in working cost of 5s. could be effected, it would leave a profit of £1,250,000 over and above the results which are now obtained in milling the above quantity of ore.

Excessive Railway rates.

Five shillings per ton reduction in working costs required.

Reduction of railway rates on coal.

It is, in my opinion, absolutely necessary that the coal tariff should be reduced, so that the companies would be able to effect a saving of 1s. on every ton of ore crushed at the present time. The mileage is 3d. per ton, the company is put to a further expense of 3s. a ton for bagging, and Langlaagte Estate, over and above these items, has to pay 3s. per ton for cartage from Johannesburg Station to its works. We have repeatedly applied for a siding, but have not succeeded in getting one. The railway trucks stop at a platform, but only allow twenty minutes to off-load from 100 to 150 tons of coal. For this purpose we require 150 natives, and they have been kept waiting on some occasions for a period of four hours, through the irregular arrival of coal trains. This entails a very serious loss on the company, which is now compelled to cart the coal from Johannesburg Station at 3s. per ton to ensure regular delivery. The south railway line, now under contemplation, would do away with this additional expense, but the coal tariff would have to be reduced to meet the requirements of cheaper mining.

Expropriation of railway.

I am now only dealing with the railways as belonging to a public company, in which, of course, the Government of the country holds a certain interest. But I should at the same time, prefer to view this matter in a far more comprehensive manner, and to state exactly the opinion as to the railways if owned by the Government of the South African Republic. There is no doubt that the railway, if expropriated, would

become an asset of enormous value to the State; it would be the means of relieving not only the industry, but also all other interests surrounding that industry; it would also be the means of relieving the burdens now pressing so heavily upon the welfare of the country, and would bring back that prosperous condition of affairs which was enjoyed by this State for a considerable period. In the hands of the Government the railway would be an important factor. In some countries railways are built and maintained for the purpose of opening up these territories. They are run for hundreds and thousands of miles, and people as a rule follow the railway. They purchase and occupy land, and thus the territory traversed by the railway becomes productive, and eventually yields a large revenue. The railways of the South African Republic, however, are not run upon those lines. The tariff is fixed at a very high rate, and the outcome of that high tariff means a most disastrous hindrance to the proper development of the country. Whilst the railway is in the hands of a purely commercial company, it stands to reason that their sole aim and object is to regard it in the light of a dividend-yielding enterprise which could be turned to the best possible advantage to shareholders. In the hands of the Government far higher and greater considerations would be the lever which should guide the Government in regulating the tariff so as to make the railway a benefit to the whole State. It is a mistaken policy to keep the tariff at a rate which not only prevents the mines working at a profit, but also injures the whole trade of the country. By means of a cheap railway tariff we could bring about an expansion of trade, and whatever revenue might be lost in the first instance by reducing the tariff, would be more than compensated for by the facilities granted to every branch of enterprise, and the increase of trade which would follow the reduction in the railway rate.

Loan for railway expropriation offered.

I notice that a question was put to some of the witnesses as to whether there would be any difficulty in the Government being able to borrow the money required for the expropriation of the railways at a low rate of interest. I may mention that some eight months ago, when it was clearly foreseen that there would be difficulties to follow a high tariff, a cable was despatched from London by a syndicate to the Government offering the requisite sum for the expropriation of the railways.

This offer on the part of the syndicate was made because they fully realised the importance of the Government acquiring the railway, and I feel certain that if the hon. the Volksraad decide during this session to take over the various lines, it would give great satisfaction not only to the people of this country but to every person in Europe having an interest in the Republic. I can also assure the Commission that, under these circumstances, the money would be forthcoming at a very low rate of interest. I need hardly say that the effect of so wise a measure would be such that it would place the financial position of the Republic on a most solid and favourable footing. It would be the means of restoring confidence in this country throughout the whole world. It would have a most marvellous effect upon the trade of the country, as well as upon the mining industry. It would bring about a revulsion of feeling in favour of this Republic which would be far-reaching in its effects, not only commercially and industrially, but politically as well. I know, of course, that the Government will have to give one year's notice, in accordance with the terms of the railway concession, but as long as that notice is given it would be sufficient to make the public understand that the Government really intended to expropriate, and we would, of course, expect that the Government would exercise its power to afford relief by the substantial reduction of the general tariff during the year's notice.

Effects of railway expropriation.

The dynamite concession.

I now come to the question of dynamite. I think, gentlemen, you must be aware that the Dynamite Concession has proved a great irritant from the very day it was granted by the Government. I do not myself believe that the Government fully

realised the danger connected with the granting of such a concession, or the disadvantages it was calculated to impose upon the profitable working of the mines. When the concession was first granted I publicly addressed the mining industry on the subject, and I distinctly remember pointing out the evils that would follow a concession of such a nature. What I then said has been fulfilled to the very letter, and so long as this concession remains it will continue to be a cause of dissatisfaction to the mining community. To all business men it is incomprehensible that a burden of this nature should be placed upon the mines; that a company should have the right to send dynamite to this country at a fixed price; that we should be forced to take it at that price when dynamite is offered to us at a far lower rate; and when it has become absolutely necessary that every nerve should be strained to make the industry profitable, and to keep the mines in working order. The concessionaires have not fulfilled their conditions; they have not built a factory, and although they have had 2½ years extended to them, still that factory will not be built. We are, therefore, forced to pay £2 5s. per case more for dynamite than what we could purchase it for from other sources. What makes the matter more unintelligible is the fact that out of this heavy pecuniary burden which we have to endure, the Government only derive a profit of 5s. a case, and the rest goes into the pockets of the concessionaires, which they complacently appropriate, whilst we are slaving to overcome the formidable difficulties which present themselves in all our mining operations. Dynamite, as you are aware, is one of the most requisite, as well as one of the most expensive items in mining. The figures which have been submitted to you show that its proportion of the cost of working the mines is 2s. 11d. per ton. You will fully understand, therefore, that if we could have our dynamite at 45s. a case we would save 1s. 4d. per ton. This amount, in addition to the 1s. per ton on coal, comes to 2s. 4d. per ton of ore crushed. There should also be a general reduction of the railway tariff, so as to enable all mining material, merchandise, and stores to be brought to Johannesburg at less cost, and thus bring down the cost of living.

Excessive cost of dynamite.

General reduction of railway rates required.

Reduction of taxation.

I think you must be convinced by this time that every effort should be made by the Legislature of the country to reduce taxation in every direction for the purpose of keeping the mines in full operation. The mining industry, as you are aware, is the backbone of the whole financial fabric of the South African Republic. In discussing this matter with certain interested parties at Pretoria, I reminded them that the taxation of this country was like a horizontal weight representing five millions sterling of revenue which the Government were receiving by taxation of the mining industry and commercial undertakings, as well as all surrounding interests. I demonstrated that that weight of five millions was held up by a certain number of pillars, each of these pillars being a gold mine. Many of these pillars were giving way, the mines were shutting down, and the whole superstructure was weakening. I pointed out that the remaining pillars would not be strong enough to carry that weight of five millions, and the result would be that the whole fabric would topple over, with terrible financial disaster to the entire State.

Mines must all be kept working

I cannot too strongly impress upon you how imperative it is that we should endeavour to keep all the mines at work. By doing so we shall retain in this country a large population, whose wants must be satisfied. Trade developments must inevitably follow, and thus there will be brought into circulation enormous sums of money. The revenue of the country will thereby be augmented, and every burgher of the State will participate in the advantages which will accrue from the increased circulation of cash. From the calculation which I have made, I consider that if we succeed in reducing the cost of working by 5s. per ton, there will be very few mines indeed which will not resume operations, and although some of them may still show

only a slight profit under this reduction, yet there is no mine that would shut down so long as a profit was made. It is only when the revenue falls below the expenditure that mines are compelled by force of circumstances to stop operations. But you must remember that even those mines working at a cost of from £6,000 to £10,000 per month spend the greater portion of that sum in wages, which is again circulated throughout the country. Another large proportion is expended in stores and other requisites for mining, which are supplied by the commercial element in the State. Therefore the expenditure of money leads to a further inflow of capital, all of which tends to promote other industries and enterprises, which acts in promoting the welfare of the country, and the Government itself derives therefrom a very large revenue.

Now, in connection with the railways, I have shown that a reduction in the railway tariff should be made on coal. Therefore, if the general reduction were made, then the tariff for machinery and stores would also cost the companies less, and this would add a further reduction to the cost per ton. I have shown you what I think is fair to the mining industry, and what we consider we can reasonably ask the Legislature to do for us; but I may mention now that, while I consider it absolutely necessary to secure the reduction of 5s. per ton, which I have referred to, yet the mining community themselves should co-operate in bringing down the costs in working by reducing expenditure.

Co-operation of mining industry in reducing working costs necessary.

Now, gentlemen, with regard to the liquor question. The law which the Volksraad passed during the last session is as nearly as possible perfect, but I have to complain greatly of the manner in which the law is administered. Many of my companies have suffered greatly through the illicit and unrestrained supply of strong drink to natives, and I hold in my hand correspondence which has passed between myself and the Government on this matter. I have also here copies of affidavits made by my managers showing conclusively the drawbacks we have to encounter in consequence of the manner in which the Liquor Law is set at defiance. The beneficial effects of the law, as it was first promulgated, cannot be overrated, but, as the administration becomes lax, the sale of liquor increases, and the evil effects are immediately felt by the industry. This is a matter of most serious moment, and the documents which I now submit will enable you to realise the loss which the companies must sustain under the circumstances.

Liquor Law.

Maladministration of Liquor Law.

The Pass Law is another subject which I consider it my duty to bring before your notice, as requiring immediate attention. The provisions of this law are not observed, and in many instances the companies have been placed in very difficult circumstances on account of the faulty administration of this law. I may mention an instance that occurred the other day on the Langlaagte Estate. No less than 270 natives packed up their goods and chattels one morning and said they were leaving for home. The compound manager told them that their period of service had not expired, and they could not leave. However, they went off, and they were followed. Some police were met by the officials of the company, but they were too few to take so large a gang of natives in charge; but the boys were persuaded to go to the Charge Office, when a charge of desertion was lodged against them. While this was being done, the compound manager states that one of the pass officers said the boys could not be charged, and it would cost the companies £5 a head for having taken such measures. The result was that we lost three days' work of these boys, as well as the services of the company's officials for the same period, owing to their having to wait about the Court to give their evidence. The case was decided in favour of the Langlaagte Company, but at the same time a serious loss was sustained, especially as it must be borne in mind, that mining and milling operations should be carried on with regularity and without stoppages. It is such occurrences as these which cause not only annoyance but heavy loss to the industry. It is therefore a matter for the consideration of

Pass Law.

Maladministration of Pass Law.

this Commission, as to whether prompt steps should not be taken to place the administration of the Pass Law on a proper footing. I may mention also that, out of the boys engaged at the Langlaagte Estate since the Pass Law has been in operation, a large number of desertions have taken place, of which large number not one boy has been recovered. It has cost the Langlaagte Company, since the law was promulgated, £11,839, boys costing 55s. to 65s. each, out of which the company had to recover £1 from each boy for railway fare, but on account of the numerous desertions, only £517 has been recovered, instead of about £4,000, leaving an absolute loss of about £3,500 on the railway fare alone to bring these boys here. You will thus realise the enormous amount of money all the companies must expend in bringing labour to the mines; and you will further realise what a serious loss it is to the companies when boys can desert with impunity, after their employers have expended such enormous sums to bring them from great distances to work here.

Desertions at the Langlaagte Estate.

Losses to Langlaagte Estate G. M. Co. through desertions.

The gold thefts' question is also one of great importance, and should certainly be dealt with by the Legislature during the present session. I would suggest that a Protection Board be appointed, consisting of five members, some of whom should be Government nominees, and the others members of the mining industry. This board would adopt somewhat the same system as is adopted by the Diamond Protection Board in Griqualand West. From its members the detective department would receive every assistance and advice in carrying on their work; and the mining companies would also be in a position to engage directly with the Board on any matter connected with gold thefts or suspicious characters. If this Board were properly constituted, it would be of great assistance in tracing stolen amalgam, and in suggesting methods to the detective department for carrying out a proper system of prevention and detection of theft. I feel sure if this board were established we should be able to put a stop to a great deal of the stealing of amalgam and gold.

Gold thefts.

Protection board to prevent gold thefts.

In considering the reduction of the railway tariff, and also the extreme advisability of dealing with the dynamite concession, I would like to mention that it is also necessary to consider the whole incidence of taxation. Customs duties should, therefore, receive close attention, and abatements made without delay. What should be urgently remembered at the present moment is that the cost of living should be reduced as much as possible. A very large amount of money is absorbed in the payment of wages, which is one of the largest items that has to be met by companies. I need not enlarge upon this matter, because I feel sure that the intelligence of the Commission will enable the members clearly to see the bearing it has on the work of the mines, and I am equally convinced that they will do their utmost to cheapen the cost of living, so as to secure the objects to which I have referred.

Customs dues.

Customs abatements necessary.

In conclusion, I would like to say that, as the Commission has been appointed to enquire into the grievances of the Witwatersrand community, and also to make suggestions as to how reforms can best be brought about, I would take the liberty of referring to what I consider a very essential element in the establishment of a better state of feeling, and in relieving the unrest which is doing so much harm not only in this Republic but throughout the whole of South Africa. I venture to touch on this subject because I know that during the four months I have been here it has been a most important factor in keeping that unrest alive, and in stirring up the objectionable racial feeling which is working so much evil in our midst. It is my earnest desire to enlist the sympathy and gain the assistance of the Commission in carrying out the views which I beg to lay before you. What I wish to impress upon the Commission is that we should do something to bring the Government, the Legislature, and the people of this country into closer and more harmonious contact. I may mention that I have already expressed a desire to His Honour the President, that he, as well as

Closer union between Government, Legislature and inhabitants of Rand required

members of the Executive, should visit Johannesburg with the object of meeting the people and establishing a more friendly feeling between the different races. The community of the Witwatersrand numbers about 120,000 people, who, therefore, form a very important element in the population of this country, and it is my heartfelt desire that the Commission should use its influence with His Honour the President, members of the Executive and the Legislature to visit the goldfields, so that the mining community may have an opportunity of illustrating to the Government the actual position of affairs. I feel confident that unless we destroy the barriers which have more or less separated the people from the Government, a feeling of unrest and discontent will continue, and will keep alive an undesirable agitation, not only in the Republic, but in the whole of South Africa as well as in Europe. I may say that Witwatersrand is the defective spot, and from this spot all the discontent radiates, gathers in strength, and brings about those strained relations which are retarding the progress of the the whole country. Apart, therefore, from the practical good results which we expect to obtain from the investigations now being made by the Commission, we anticipate that their power and good services could not be utilised in a nobler work than the bringing about a feeling of friendship and unity between the Government and those that are governed. I am sure that the people on the Rand would be glad to meet His Honour and the Executive, and members of the Legislature, and so establish a bond with the object of working together in harmony for the good of the State; the feeling of disquietude would die away, and we should find every section of the population striving their utmost to advance the prosperity of the country. The good effect would not be confined to the Transvaal, but would extend throughout South Africa. It would indeed be a most pleasing result to investors in Europe if confidence could again be restored, and there could be brought back to this country a permanent peace, with all its attendant blessings. I may refer to the monster petition which has only quite recently been brought out, but which has already been very numerously signed. The signatories are most sincere in their desire to create unity and work hand in hand with the Government, the great aim and object of all right-thinking men being to foster and develop the great resources of the South African Republic.

Discontent of Witwatersrand

Mr. *de Beer.*

Loan offered for railway expropriation.

You have mentioned that in the beginning of this year a syndicate approached the Government for the purpose of advancing the necessary money for expropriating the railway?—Yes.

At what rate of interest?—It was about eight months ago, and I cannot for the moment give you the exact rate of interest which was intimated to the Government. I think the chairman of the Commission will bear me out in my statement, because it was submitted to the Executive.

Dynamite factory.

You say it is not likely that the dynamite factory will be built. What reason have you for saying so?—I mean it will not be built within the time.

Dynamite.

When you refer to dynamite here, what class do you refer to—the usual No. 1 standard?—Yes, of the same character and strength as is in use now.

Is that number the standard?—Yes; equal in strength to what we get now.

Effect of five shillings reduction in working costs of mines.

Are you of opinion that if the working costs are reduced by 5s. per ton most of the mines would start working again?—Yes.

With a profit?—Yes, with a profit.

Do you know any other open reefs that have not been worked which could be worked if working costs were reduced by 5s. per ton?—You mean reef that has not been touched. I cannot remember for the moment if there is any such ground, but mines which are now shut down would be re-opened.

Past reduction of working costs.

We have been told by a previous witness that the labour question has been very much improved within the last few years. Mr. Johns, the chairman of the Association of Mine Managers, and who is a man of great experience in the gold-fields here, has declared that his working expenses in the mine are now 46 per cent. less than in 1892?—I am not quite sure about that.

Improved working conditions

In any case you will admit that the conditions are now better and more favourable than formerly for working expenses?—Yes, as far as machinery is concerned; but our labour is still a very serious item indeed.

Here we have got the evidence of a practical miner, who says that the labour of four years ago has now reached a higher degree of efficiency, and that they can work so much cheaper now than then?—In what respect?

That is what I wish to elicit from you?—We may have more skilled labour. But in what respect is the question put? Does it refer to skilled labour or expenditure. If it is to skilled labour it is better.

Can you not admit that the condition under which the work is now done is better than within the last two years?—Well, I can't say that so far as my companies are concerned.

For instance, machinery has reached a higher degree of perfection, and is more efficient?—Yes, there have been improvements in machinery.

Labour of all kinds is very easily procurable?—Yes.

Now that labour forms about 50 per cent. of the average working expenses of the mines, and that machinery has reduced the cost of labour, and also that companies have taken to sorting ore, don't you think, taking all these circumstances into consideration, that the conditions are better than they were three years ago?—With some mines, yes. Sorting is a good principle on some mines, but on the Langlaagte it is not so.

Reason for present depression

To what do you ascribe the alleged depression?—Do you mean as regards shutting down?

No. To what do you ascribe the present depression?—To the cost of working; and, unless we can reduce the expenditure, many of these mines that have shut down will remain shut down, but others will shut down. That is why I have said in this statement before you, that we must reduce the costs of working by 5s. per ton. Still, the companies must also do their share to bring down the costs of working to 5s. per ton. If we can get that, many of the companies that are working now, and perhaps just keeping a balance with regard to revenue and expenditure, will be able to make a slight profit. If these companies continue their operations, others that have been shut down will, when the working cost is reduced by 5s. per ton, come into operation again.

Those same conditions prevailed three years ago, yet there was no depression?—You must remember that mining is deeper now, and of course the cost of working increases as you go down. Our labour question was not such a serious one in those days, and I think labour is much higher than three years ago.

Is it not really the cause of the closing down of some mines that they have come to the end of their tether, so far as money is concerned, that they have got no further capital?—Of course, many mines have been re-constructed. Unless we reduce the cost of working, some more mines will shut down.

Mr. *Smit.*

There are no other reasons for the expropriation than those already stated by you?—The general burden of expenditure.

How many companies have you floated here on the gold fields?—Langlaagte Estate, that is the only one of the companies that I floated myself. When I speak of the Langlaagte, I mean Robinson and Langlaagte, in conjunction with the Randfontein Estate. Mr. Robinson's flotations.

Do any companies which you floated not pay, or have they been shut down?—The Langlaagte mine will by no means be shut down, and I am making myself great efforts to reduce expenditure. I am talking of Randfontein and also Block B at present.

Of your companies none have been shut down?—No, none have been shut down, with the exception of one company on Randfontein. On account of the drinking of kaffirs we have been obliged to shut down. It will be re-opened.

Are there any grounds you originally floated into a syndicate or company not developed yet—lying unprospected?—No. There are some grounds prospected and ready for flotation.

The Robinson mine has a capital of 2¾ millions?—3¾ millions. The Robinson mine.

The property of the Robinson Company simply consists of mining claims?—I have no further interest in the Robinson Company.

You are aware that some mines have closed down on the Rand on account of the depression?—Yes.

How do you account for it that some of the mines have closed down and expenses are exorbitant, and still the output for the last two months has been fairly progressive—better than ever before?—The mines that are productive, and in active working, have, in some instances, increased their machinery, and some new mines have also been opened. Increased output.

Mr. *Joubert.*

Mr. Joubert remarked that Mr. Robinson had given important evidence in regard to a great number of points, and he would like to have an opportunity of considering the evidence and asking questions afterwards.

Mr. *Hugo.*

Do you think if the reductions now asked for are brought about, the influx of capital will come again, which is checked now for the present?—Yes, certainly. Results of reduction of working costs.

If there is 5s. per ton reduction?—It will restore confidence over the whole world, and will make a marvellous change in this country.

You say Government can borrow money at a low rate of interest to expropriate the railway. What do you think it could be borrowed at now?—That is a question one cannot very well answer here; but I am sure, more especially if it is known that the Government wanted to take over the railway, they could get it at a very low rate of interest. Loan for railway expropriation.

You think this reduction of 5s. per ton will enable low-grade mines to be worked payably?—The majority, I don't say all, would be able to work. A great many would work with 5s. reduction per ton of ore. To give you an instance. Langlaagte costs 17s. 3d. per ton. That includes milling, mining, and all office expenditure. Effect of five shillings per ton reduction in working costs:

Is it working at that now?—It is working at that now. If we get 5s. per ton reduction it would make it 12s. per ton. on Langlaagte Estate;

But that would be exceptional?—Well, Block B Langlaagte works at 20s. per ton all told. If we could bring it down by 5s., to 15s., it would be a very valuable property. That applies to other companies on the Rand. I reckon, if the Government give 3s. out of the 5s., the companies ought to find the other 2s. on Block B Langlaagte.

Method of making a five shillings reduction in working costs.

Other witnesses have stated they would be satisfied if the Government could only bring about a reduction of about 2s. per ton?—Yes; of course one must accept the statements made. I have gone into calculations very carefully, and if we could get coal and dynamite brought down 3s., and the companies also reduced the expenses 2s. —they might reduce 2s. 3d.—there is no doubt that between both the companies and the Government a reduction of 5s. could be made. I adhere to my statement that that reduction would bring about a marvellous change in this country, confidence would come back in great force, there would be a great inflow of capital, and all the depression we now see would be swept away. I consider greater prosperity would come back to the State than ever we had before.

Chairman.

Reasons for expropriation of railway.

I see you urge the expropriation of the railway, but it is quite possible to get the company to make the necessary reductions without expropriation, and then you could have nothing to complain of—would not that be equally beneficial?—If you will just follow me I will explain why I suggest expropriation. I consider the company in the hands of the Government would be a very valuable asset; not only a valuable asset, but it would give a marvellous standing to the whole position of the State.

Effect of expropriation of railway.

Supposing the Government expropriated, would the mere fact of expropriation, without going into the question of reducing the rates, materially influence matters as regards the outside world?—Certainly, of course, one would naturally expect if the railway were in the hands of the Government, the Government would then have the power to regulate the traffic to meet the requirements of the industry.

Of course the tariff would have to be regulated according to revenue and expenditure, and taking also into consideration the prime cost to the Government?—The railway, of course, in the hands of the Government, would be a powerful lever to bring about great changes in this country; it would have a very far-reaching effect, and would have a marvellous effect on the prosperity of the country. I look upon the railway as the moving lever to the whole prosperity of the State.

Formerly the Cape Colony had a railway, and that railway could not have made the Cape Colony what it is to-day but for the transit carriage to the Transvaal.—Exactly, and that is why I want the Government to have equal advantages with the adjoining States, and then they could get the reduction on the Cape lines and Natal lines. The enormous dividend which the Cape line has made is mostly on account of the great traffic to this Republic.

Of course the question of expropriation is not a matter that falls within the province of this Commission; that will be dealt with by the Government.—Of course, I am only putting facts before the Commission.

Importance of expropriation of railway.

We must simply confine ourselves to the point of the reduction of taxes; that is the point that comes within the province of this Commission; and to see whether the Government can get for the companies such reductions in tariffs as will meet their requirements; and then, if that can be done, and if the Government can agree with the Railway Company to give the gold mining companies such reductions as they require, the expropriation of railways won't matter so much.—I take a more comprehensive view. If you were to expropriate the railway, the Government could obtain such reduction, that it stands to reason that it would be of great advantage to the industry and the whole State.

Price of dynamite.

As regards dynamite—other witnesses have complained about the expense of dynamite, and I will take it for granted that dynamite can be delivered here cheaper; but no proof has been submitted to the Commission to show that, supposing the concession were cancelled to-day, the industry would be enabled to get dynamite landed here

cheaper.—There is proof, Mr. Chairman, that we were offered dynamite at a very much less rate than what we are paying.

That has been stated, but I would like proof positive of it.—Has not that been placed before the Commission?

No.—The question has not been put before us in that form. All we know is that we were offered dynamite at a certain price which is considerably less than what we pay for it.

It would be very important if the Commission could obtain proof on that point before the close of the evidence.—That we would be able to obtain dynamite cheaper in the event of this concession being cancelled?

Not that; that you get a firm offering to deliver dynamite cheaper in Johannesburg. The Commission would like you to submit a proposal for a draft contract, made by some responsible contractor, by which he agrees to deliver to the industry a given quantity at a certain price.—I suppose that can be done.

Lack of confidence between Government and mining industry—means of restoring this.

You say in your evidence that confidence has been shaken, and that it will be more or less restored if the President, and Executive, and Members of the Raad were to pay a visit to Johannesburg. I want to know do you mean that confidence has been shaken on account of his absence?—More or less, since the unfortunate occurrences that took place here. I think myself, if the President and Members of the Raad, now, whilst they are in session, were induced to come over here and meet the people here, and the President was to address them publicly, as the head of the State, and exchange sentiments with them, it would have a very good effect. We want to see the head of the Government here.

That is not yet proof to me that confidence in the gold fields has been shaken because the President has not been here.—I am not speaking of any proof. I say, if you want to bring about confidence, there must be a certain unanimity. There is a certain feeling which is known throughout the world to exist, and that feeling must be toned down; and if the President was to come here and address the people it would have a marvellous effect in restoring confidence. I suggest that the Commission should use their kindly offices to bring that about.

You will agree with me that after the unfortunate occurrences you refer to, the Government, even more than before, were always ready to meet the industry where possible?—But the world does not know that.

It is quite enough as long as the gold fields know it and find it out.—That could be demonstrated by the action of the President mingling with the people and talking to them.

I know that the President would not be unwilling to come here, but you must agree with me that things have happened here formerly which would keep the President away. I do not know that from this side proof has been given that he might not have the same experience again.—No, I am sure he won't.

You are convinced. You can hardly be sure?—As far as I know, from those I have spoken to, I am sure of it.

Langlaagte Star mine.

Witness said he would like to say that, when that morning he had been asked which of the mines he was connected with were closed down he had mentioned one, but also the Langlaagte Star was closed down for the purposes of development.

You stated this morning that if the railway rates are lowered, the price of dynamite lowered, import duties lowered, a general reduction in the cost of everything will take place; you even went so far as to say that you thought expropriation of the railway was necessary, and that then the railway will truly be a benefit to the public. Other witnesses have stated other burdens which are pressing on the mines, and other taxes which might be reduced. How do you propose to remedy the loss in revenue

Compensation for reduction of State revenue through relief requested.

Loan for public works.

which will ensue if these reductions should be made?—In the first place, I suggest that the Government, as far as public works are concerned, should raise a loan, and that would relieve the revenue considerably. At the present moment we are paying for all these public works out of the revenue of the country, and I dare say the Commission are well aware that if the Government would take up a loan to deal with public works, the expenditure would be considerably lightened—we would be in a far better position. Apart from that consideration, I maintain that if the mines could be kept in working order, as set forth in the statement which I placed before you this morning, there would be a very great expansion of trade, and you would find that the revenue of the country would increase in proportion.

Differential taxation of mines.

Taxation of gold.

Admitting that if the Government were to undertake any important public permanent works money should be borrowed, how about general management and administration. I will make it plainer. The main object of getting a reduction in everything is to make payable these mines which at present do not pay or hardly pay; as against that there are mines which, under present conditions, pay handsomely, and yield very large dividends—say the Ferreira, which pays 270 per cent. I want you to make a suggestion by which these richer mines should be taxed in proportion to what the poorer mines would be relieved by taxation. Read this article from *Machinery*:—"To compensate for the remission of taxation on necessaries of life, and loss of revenue from the railway expropriation, we would suggest a duty on all the gold won from the mines, say five shillings an ounce. This would bring in approximately £750,000 per annum, as we estimate the output for 1897, with careful management, will be equal to 3,000,000 ozs. It may be argued that to tax the gold won is taxing the industry more than ever. This may appear so at first sight, but it is a right principle to tax the finished article, not the raw materials: the taxation at the present time is borne by the producers of the gold, in the shape of heavy railway rates and dear labour, etc. In taxing the gold won the consumer will pay the tax, and as the world at large is the consumer in this case, it follows that a great portion of our taxation would be borne by the population diffused over the whole world. Therefore, although the mining companies producing the gold would pay the tax in the first place (while the companies not producing would pay no tax at all), they would recover it by charging 5s. per ounce extra to the consumers, and the consumers could not refuse to pay this extra charge, because they must have the gold." What is your opinion of that?—Well, I don't agree with the article.

In which way do you differ from that article?—Because I maintain the position would be worse if this principle was carried out. If you impose a tax upon gold it will have a disastrous effect throughout the world. It is a very typical problem that the Chairman has just now propounded. I don't see how you can make any distinction. If richer companies possess rich ground—the Ferreira or Robinson for instance—it is a fortunate circumstance which attended that particular holding belonging to shareholders, and we cannot take away from their profits and handicap them to feed the poorer mines. The same principle applies to rich and poor.

Increased taxation disastrous.

I still think that, supposing this reduction were made, it would benefit the richer mines more than the poorer mines, and that, therefore, to be quite fair and just in taxation, a tax on the richer mines should be proportionately heavier compared with the tax on the earnings of the poorer mines.—I maintain, Mr. Chairman, that a course of imposing further taxation would have a very disastrous effect. I am quite sure that if such a course is pursued, and you make that suggestion to the Government and it was acted upon, then instead of the work of this Commission being a blessing to the mining industry and the whole of the community, it will have the opposite effect.

I want to try and evenly balance taxation.—I have suggested that if this idea, which no doubt you have thought over, that the dynamite and railway can be arranged and a public works fund provided for them, so that the revenue of the country was not burdened with that serious item, I feel confident, in my own mind, instead of the revenue decreasing, it would increase, and the Government would have no difficulty in balancing its budget.

How is it there are very few complaints from the mercantile community? A merchant, if he sells £1,000 worth of goods, is taxed on that amount; if he sells £10,000 he is taxed on that sum. Now, then, if you produce an ounce of gold, it is proposed that you should be taxed on that, and if 10,000 ounces taxed on that. Comparing the merchant with the gold producer, where is the unfairness of the suggested taxation?—It would be very unsound legislation indeed. If you begin to tax your gold in this country a more suicidal measure it is impossible to conceive.

These questions are only put to elicit your opinions, of course, and due weight will be given at the time the report is drawn up. It is not suggested to make this alteration; the question is put to elicit the fullest information possible. You and several other witnesses have stated that white labour is one of the chief items in the working expenses of the mines. Supposing you can effect a saving in the wages of the whites as well as the blacks, don't you think you will have a falling off in white labour?—No; we must consider the conditions here. In the first instance, they are desirous that the Government should lessen taxation so that living will be cheaper, and of course the reduction of wages follows.

White wages.

I understand that last week you introduced a reduction of wages on your mines?—On some of them.

Reduction of white wages on Randfontein mines.

How do you reconcile your being able to effect that saving in face of the statement of several witnesses that it would not be possible to reduce the wage of the white miner until reductions have taken place?—I cannot answer what other men are influenced by. It is impossible to say. I have made that reduction on my mines and they are working to-day.

The effect of your having been able to successfully reduce white labour wages seems to speak directly against some of the evidence which has been submitted to the Commission, where they state it would be absolutely impossible under present conditions to reduce white wages. Facts like these speak.—Yes, I have read the statements.

Mr. *Joubert.*

In the beginning of your statement you say you have got hopes that the labours of the Commission will be fruitful of much good for the industry. Do you think that is the general opinion of the public in Europe and the mining industry?—Yes.

Therefore you attribute the present depression greatly to a misunderstanding?—No, but it is a drawback when there is no confidence in the people.

Reason of the present depression.

Do you think the impartial dealings of this Commission will be able to remove such misunderstandings, or can you suggest any other way out of the difficulty?—I think the impartial action of the Commission up to now has inspired great confidence, not only here but in Europe as well. I have cables to that effect.

Effect of Commission's action in Europe.

You think if the Commission continues in the same spirit as it started much of the feeling will be removed?—Yes.

Do you think it will be in the interest, not only of the gold industry, but also the general population of the republic, if the railway be expropriated?—Yes.

Expropriation of railway desirable for general population as well as for mining industry.

Can you adduce any argument in support of your opinion? Of course the decision on that point will remain with the Volksraad. I should like to hear your arguments in favour of expropriation as one of the public at large, also your economic

reasons as a financier, with a view to showing how it will benefit the public as a whole ?—I stated this morning that if the Government expropriated the railway that that would be the groundwork of a very strong financial position of the South African Republic. This railway in the hands of the Government immediately becomes a very valuable asset. I said this morning that the railway is the moving lever of this State's prosperity. If the railway belonged to the Government of this country they would have power to regulate its working and tariff to meet the requirements of the whole country. The advantages would not be confined only to the mining industry, but every inhabitant of the State would derive the advantages which would accrue to the country under these circumstances. That, I think, every person who follows events as they stand at the present moment in this country would grasp without the least difficulty. The very moral effect of it being announced that the railway belonged to the Government would be marvellous throughout the world, the financial position of the State would become much stronger and the confidence in the State would increase. And I mean to say not only that, but it would lead to a further inflow of capital into this country. When capital is brought into the country it is not circulated only among a certain section or body, but every inhabitant of that country participates, more or less, in the circulation of that money. I consider it would be a very wise policy indeed—a policy so far-reaching in its effects that none of us seated at this table to-day can possibly conceive the marvellous results that would follow the expropriation of the railway once it had become a Government asset.

Beneficial effects of expropriation of railway

So you are of opinion that the heavy taxes do not only press on the industry alone, but also on the mercantile community, agriculturists, and in fact everybody ?—Exactly.

And then you are of opinion that in case the Government could have the entire control of the railways, they would have it in their own hands to remedy this ?—Materially.

And that is your reason for saying that you think the Government ought to take it over ?—I think so.

In favour of everybody in the republic, not only for the gold industry ?—Yes, for the whole country.

But supposing the Government can get the Railway Company to make all the required reductions, would not that meet your purpose just as well ?—I am taking, as I said this morning, a more comprehensive view. I know what a great effect it would have if the State acquired that railway, as far as the industry is concerned, but I dare say, trade generally, if those reductions were made which we are desirous should be made and the State would also benefit. But I maintain not to that extent as if the State expropriated the railway, and the State owned it as a property.

Expropriation of railway more beneficial than reduction of railway rates alone.

If the State takes it over, of course it takes it over with all its burdens and responsibilities ?—Yes.

Would the mining industry in any way be prepared, do you think, to assist the Government in getting the required capital at a reasonable rate ?—Oh, yes.

Mining industry and railway expropriation loan.

Now we get to dynamite. Do you not think it is desirable that the Government of the republic should have its own manufactory of dynamite in its own country ?—Well, I would certainly have no objection to the Government having it, but then we would like to have dynamite at a certain price and of a certain quality.

Dynamite.

Is it possible that, with the co-operation of the industry, the Government can devise means by which dynamite can be manufactured in this country, so as to be delivered here as cheaply as that exported. Is it feasible ?—Well, I am in doubt about that.

What would be the objection. Why could you not make dynamite to deliver here to the mines as cheaply as to import it?—I don't think you could make it as cheaply here.

Comparative cost of dynamite manufactured in the Transvaal and imported dynamite.

You will agree, of course, that every man, and every company, and every State, wishes to be as independent as possible from importation from outside. If a factory could be started here which can produce dynamite as cheaply, or nearly as cheap, as you can import it, it would be a desirable thing?—Certainly.

And don't you think it would be the duty of the industry to assist the Government as much as possible towards attaining that object?—I am certain the mining industry would not hesitate for one moment.

Establishment of dynamite factory in Transvaal under Government control.

Is there no possibility of establishing a dynamite factory in this conntry which could manufacture dynamite at a cost nearly equal, or lower in cost, than imported dynamite?—I am in doubt about it, but still, if a position of that kind is to be considered, I am quite sure the representatives of the mining industry will only be too glad to meet the Government on the subject.

I am not going on the present basis at all. Do away with the present contract; then, could not a scheme be devised in which a dynamite factory can be started in this country, under Government control, and with the assistance of the industry, which will be able to deliver dynamite at about the cost of imported dynamite?—Certainly.

Mr. *Hugo.*

But do you think there is a chance of establishing such a factory? Is there a possibility of such a factory?—Assuming that dynamite can be manufactured here at something like the price we can import it, I am quite sure there wonld be no difficulty.

Mr. *Joubert.*

It is not the intention of the Government in the least to oppress the mines, provided there be co-operation from the side of the mines, and to back up the Government so that they can be as much as possible independent from foreign importation.—Quite right.

Then, of course, you can depend on co-operation in return from the side of the Government.—Certainly.

Is it impossible to have such a factory?—That is the difficulty. I cannot answer that at the moment. If such a thing is feasible there would not be a moment's hesitation.

Composition and quality of dynamite in use on Rand.

Within your knowledge, is any dynamite made in this country out of materials found in this country?—Not so far as I am aware.

Have you anything to say against the quality of the dynamite made here?—No, I think it is fair.

Do you know any mines in other countries?—Not intimately.

Have you heard of so many people ever being killed by a mining explosion at one time as happened here the other day?—Yes, often.

Then, I suppose that is not attributable to the quality of the dynamite?—That is impossible to say.

Pass Law.

Now we will get on to the Pass Law. Do you suggest any means by which the Pass Law can be improved, so as to prevent the running away of natives?—The only way is to appoint competent officials to undertake the duties.

Competent officials needed.

Maladministration of Pass Law.

Do you know of any special faults or mistakes made by any officials of which complaint can be made?—It seems a very difficult matter. For instance, when the native comes to this country, he has what is called a "reis" pass; then he afterwards gets a district pass; then he gets a monthly pass. The district pass is held by the

employer, and the native has in his own possession the monthly pass. Still, under those circumstances the natives disappear, and it seems an extraordinary thing that they cannot be traced, and that there is no power in the country here to intercept those natives, to stop them, or to deal with them in a manner justifiable under the circumstances.

There is no fault in the law; it is in the administration of the law?—The law is an excellent one. It is a first-class law.

Can you suggest any way to administer the law?—I can suggest ways, but I do not think it would be advisable to mention what is in my mind at the moment, as it hinges on the officials who administer the law at present.

The administration is laid down by the law.—Yes, I mean to say it is the carrying out of the law.

An official is the servant of the public, and, if he should not do his duty, there is a way to complain about it; because it is not only natives of this country, there are officials who don't do their duty everywhere.—Quite right.

Government not to blame for maladministration of Pass Law.

You cannot blame the Government. There is no real grievance against the Government. It is really the fault of the people who allow such things to continue without lodging a complaint to the Government.—We don't blame the Government. We approach the Government through this Commission.

I only want to point out to you that some neglect is attributable to the management of the mines. If officials do not do their duty, it is incumbent on the mines to complain of such officials. We will turn to the Liquor Law. That is not carried out properly?—No.

Liquor Law.

Maladministration of Liquor Law.

Remedy for maladministration of Liquor Law.

What remedy can you suggest to get it better exercised?—I think a body should be constituted to follow up the lines of the law, and I mean to say it is very easily done. I see in the papers lately that the Government have been appointing Commandant Schutte for the getting of detectives for following that matter exclusively. I think if that idea was followed out we should be able to enforce the provisions of that law pretty well.

Supposing there is any connivance from the side of the mine manager in the transgression of the law?—That would be a very serious offence if a mine manager defeated the object of the law.

Is it not possible?—It is possible, but very improbable.

What is your idea?—Do you not think there is a single mine manager who transgresses the law?—I can only speak of my managers that they don't transgress the law. All I can say is, if a mine manager is not worthy of his position he should certainly be cleared out at once.

Gold thefts.

Protection Board to prevent gold thefts.

It is very difficult to find it out. Now the gold thefts. Don't you think the law on gold thefts is stringent enough?—I suggested that a board should be appointed on the same lines as they have at Kimberley with regard to diamond dealing. The members should consist of Government nominees and members of the mining industry, and I believe if that Board was properly constituted it would be a very great assistance in tracing amalgam thefts on the Rand here. They have the mines in communication with the detectives, and it would lead to the discovery of amalgam thefts. The conditions of this were that when any suspicion existed the mine was directly placed in communication with that Board.

Reduction of import duties.

What reduction on import duties can you suggest?—I am not prepared to say what reduction on import duties should be made, but the Commission should consider that a great deal hinges on this in this country. Our object is to cheapen things here as much as possible, and the more we cheapen things, provided we keep up the revenue of the country, I am assured that it would be of great benefit to the whole of

the State. It is impossible, off-hand, to say what reduction should be made. It is a question to be gone into very carefully, and all the points have to be considered, and a proper scale has to be marked out before you can say what reduction should be made.

Still you think it is highly necessary for the progress of the mining industry that a reduction should be made?—Yes, certainly.

You see, I ask the question because the people pay these import duties too?—I am not speaking for a reduction for the industry alone; it would benefit the whole State.

Closer union required between people and Government.

Now I am coming to the point; there should be a better understanding between the people and the Government. I quite agree with that; there should be more fraternising, more closer union?—I am glad to hear it.

I want to hear first from you, what are the people here prepared to do, and what do they expect from the Government, the Executive, and the Volksraad in order to bring about that fraternising?—All I want is the Commission to use its influence with the President, the Executive, and the Volksraad, that they should come over to Johannesburg and that we should shake hands all round, and that the President should address the people here, and that the people should have the opportunity of exchanging ideas with the President and the Executive. The moral effect of this upon the world would be simply marvellous. It would show that all our differences had been dropped and that we had come together again as a united people to work hand in hand for the welfare of the State.

That cannot come from the State to the Government?—No. I only throw out that suggestion to the Commission, and if the Commission would see that the President, the Executive, and the Volksraad members would come here we would make the necessary arrangements to receive them.

Duty of mining industry towards the burgher population.

Before the Commission can undertake to put any such suggestion to the President and the Government, it is their duty to inform the mining industry what the Commission considers to be their duty, and the first duty of the mining industry and the new population is to make friends with the true people of the Republic, and to show that there is no feeling of enmity against them; that they are really in earnest in trying to co-operate with the old population in furthering the interests of the country. Then the people of the country will see that the Government will do their duty by the mining industry. I will be very pleased when the day will break when the new population will join hands with the old one in order to further the common interests of our rich country, and in order to develop our rich gold mines; so that even there will be a living for the poorest man, because the country is good enough. If it is not it is our fault. If the population will only join hands together, I repeat the country is good enough, and I hope that everything that has passed will be left behind, that from this day co-operation will exist, and that the new population will support the Government, and they will see that the Government are prepared to take their interests to heart, and I feel that I am only expressing the feeling of all members of this Commission, and on that basis we will make our recommendations to the Government. There is another question that occurs in your declaration. What is your idea of the effect of the development of the deep levels? Do you think the deep levels are of such a value that their development will be good for the mining industry? It stands to reason the longer the mines last the greater benefit it will be for the State. Have you got any idea about the payable capacity of the deep levels?—They will be like the outcrop mines.

Value of deep levels.

Gold Law.

What do you think of the Gold Law; as it exists at present does it meet the requirements of the situation?—I think it is a good law.

Mr. *Brakhan.*

Illicit sale of liquor.

I see in your statement that you say you consider many of your companies have suffered greatly through the illicit and unrestrained supply of strong drink to natives Where principally are these canteens situated which have done this harm to the industry?—At Randfontein.

Are some of these canteens situated on mining areas?—Some are situated on stands on claims, and I think all the claims adjoin the mijnpacht

Liquor licences.

The law as it was promulgated some time ago provided that no canteen licences shall be permitted on mining areas?—Mr. Langermann, my representative at that time, brought on action before the Court with regard to the decision arrived at by the Licensing Court. The Court gave judgment the other day reversing the decision of the Licensing Board. To show how matters are complicated, there is a licensing case pending the decision of the Court, and the Licensing Board granted these men a licence.

Undesirability of canteens on mining areas.

Then you hold that it would be a good thing for the natives that no licences should be issued on mining areas?—Certainly, it would be good for them. Of course, if the industry is unhampered with such drawbacks as the sale of liquor to natives, it stands to reason that the whole State must benefit by it. I certainly say that no licences should be granted on mining areas.

Then you hold that these canteens on mining areas, although they are now only permitted to sell to white people, yet there is a great deal of likelihood that they will also sell liquor to natives?—Oh, yes. The natives are seen carrying any number of bottles of brandy.

You think the argument of the Licensed Victuallers' Association, that these people can only sell to white people, does not hold good?—Certainly. I am sure it does not hold good.

Taxation of gold.

You have given your opinion with regard to the article which appeared in *Machinery*. Now I take it that this article will lead people to believe that the gold produced is really the last product of the company. Now, don't you hold that the last product of a company is the dividend which it pays?—Yes.

Don't you think that if this suggestion would be followed upon, that these poor mines would be very much handicapped in comparison to the rich ones?—In what way?

Because I take it, the poor mines would have to pay the same amount of their production, although their profit is minimum?—Certainly. It is a dangerous policy to introduce such a thing. It will have a very injurious effect if you tax gold.

Taxation of dividends.

Don't you think it is much more advisable to introduce a tax on dividends?—I object to that also. I don't say that for any personal reason. But I say this: that, if instead of reducing taxation the Commission is going to impose further taxation, I foresee that no good will result. That I say in plain English. The forecast I made to-day is right. You don't want further taxation; you ought to lessen it. The balance of the budget will not be disturbed.

We do not anticipate, if these reductions are made, that in the long run the Government will be on the wrong side with the budget. Yet it may be necessary.—They won't be on the wrong side. They want to raise a million to-morrow for public works, and then it is off the revenue of the country. It is easily adjusted. There is no danger of the balance getting on the wrong side.

Loan for public works desirable.

Taxation of gold or dividends reprehensible.

If it came to a question of whether the gold product or dividends should be taxed, would you not prefer that dividends rather than gold be taxed?—I don't prefer anything of the kind, because I think you are starting a dangerous theory. You have

no idea what you are doing. If the outcome of the Commission's work is to tax dividends or gold I should be sorry you have been appointed on the Commission, By that tax you are not going to benefit this country. You should wait until circumstances arise before you raise this question. You should not start this question at a moment like this. You should see whether you can reduce taxation, and how to restore confidence and bring back the prosperity of the country; you should not seek an outlet of this nature. Why, you will completely frighten people at home.

It has been started in the papers, and I want to point out the danger Yet are there not other countries where they have an income tax?—Yes; but I prefer a country where there is no income tax.

But the question is—if the occasion should arise whether there should be a tax on gold or on income, which would you prefer?—I don't admit either. It is suicidal so far as the industry is concerned. Income tax undesirable in Transvaal.

I don't think we can argue that way, as in well established countries an income tax does exist.—In well established countries you have a great many industries. Here we are dependent entirely upon the industry—the mining industry, which is the backbone of the country. If, as in Germany or England, there were all kinds of industries of their own, of course the position would be different, but here the whole position depends upon the profitable working of the mines, upon inspiring people in Europe with confidence so that they will invest in the country and assist us in developing the resources of this country. If you once begin to tax gold or tax dividends, you will certainly do an immense amount of harm. You will stop that good which we all anticipate will follow the action of this Commission.

I personally hold that it would be better for the welfare of the mining industry, that it should get every possible facility from a reduction of railway rates and other sources. In that case the revenue of the State would be curtailed, and ways and means should be devised to balance the budget. But it should not be a tax on the production of gold if other means can be found.—There should not be a tax on gold or dividends. Other ways can be found. Taxation of gold undesirable.

I have previously referred another witness to a certain point in the Gold Law, namely, where the Gold Law provides that in the case of mijnpachts Government have a right to 2½ per cent. on the gold produced. Do you consider that a good or a bad proposition?—It is a very bad one. I have often discussed that with high officials, and they themselves knew that if they imposed that tax it would have a very bad effect. Taxation of gold produced on mynpachts.

Now, the Government not having imposed the tax heretofore, is not that a guarantee that Government is not going to impose a tax on production or dividends, which is likely to be injurious to the industry.—I am quite sure the Government won't do such a thing.

Do you consider that the Gold Law in other respects, say, as regards the tax imposed on claim licences, is reasonable, and not oppressive?—I think so, more especially now they have made the alteration with the Mining Commissioner's department, who have got power, according to the Gold Law, to regulate what amount shall be paid as claim licences and what as prospectors' licences. Claim licences.

You think, then, that diggers' licences should only be asked for on claims actually worked?—That is a matter for consideration. It is a point I have not thought of. Distinction of claim and prospectors' licences.

Mr. *Smit.*

You said this morning, in reply to a question, that you would expect a bigger output when more mines were working?—Yes, in those mines with improved machinery and increased steam power. Increased output

The initial expenses of a mine, the development, etc., are much heavier than the expenses when it is started and in full swing?—Yes, much heavier.

These new mines which are started, are they so good that they will pay expenses, seeing that some old mines had to close down on account of not being able to pay expenses?—Yes.

Reason for good effect of expropriation in Europe.

You think the expropriation would create a good impression not only here but in Europe?—Yes.

But why?—Because the impression is only to be formed that when the Government holds the railway it will alter the position, and they could regulate the tariff as they liked, to meet the wants of the country. Apart from that, the railway would be regarded as a valuable asset in the hands of the Government.

Have they got such a lot of interest in our Government that they are anxious the Government should have good assets?—I am taking up the position that this railway is a very important factor in the welfare of the country, and when I come to consider that we look towards Europe for our support in making this country what it actually is at the present time, and what I maintain it will be through the inflow of further capital, I say to bring about that desirable object the Government should be possessed of the railway to restore that confidence, and make the investing public at Home realise that the asset is the property of the Government, and they can do with it as they think fit.

Expropriation of railway preferable to reduction of railway rates alone.

But supposing tariffs are put on an equitable basis in order to meet all the requirements of the Commission, does it then concern you much whether it is run by a private company or by the Government?—I have answered that already. It would be a very good thing if the tariffs were brought down. It would be of great assistance to the people of this Republic. But I am taking a higher and more comprehensive view. It is a question of very high finance. It will have a moral and financial effect throughout Europe, and would have a great effect on the future progress of this country.

This concluded Mr. Robinson's evidence, for which he was thanked by the Chairman.

Mr. H. F. E. Pistorius' evidence.

MR. H. F. E. PISTORIUS submitted the following statement from the Joint Committee of the Chamber of Commerce and Mercantile Association:—

This committee, representing the merchants and traders of Johannesburg, makes the following statement regarding the present position of the mining industry, always bearing in mind that that industry is the financial and industrial mainstay of the country. Without the market afforded by the mines other industries could not exist in the Transvaal, and this economic fact is so far-reaching in its effect on local industries that even agriculture comes under the same rule. The successful working of the mines affords a basis for industrial, agricultural and commercial development in many other ways. Admitting this fact then, the first necessity for the prosperity of the country from an industrial standpoint is to ensure the success of the mines. We are of opinion that at present the mines have to carry many heavy and indefensible burdens. The chief of these are the monopolies for railways and for explosives. We ask the favour of your careful consideration of the following burdens that can be readily removed:—

Mining industry is financial and industrial mainstay of country.

Unjust burdens on mines.

Railway monopoly.

Railways being necessarily a monopoly, and in all countries superseding the highways of the country, are consequently under different economic and administrative conditions to other industrial enterprises. The public have to be guarded against the possibilities of such a monopoly as that afforded by a railway, being used to the general disadvantage. In England and America the average dividends paid by the

railways amount to between 3 and 4 per cent. per annum. In view of these facts the rates charged and profits secured by the Netherlands railway cannot be justified. The rates obtaining on the Netherlands Railway are far in excess of those ruling on all other lines in South Africa. The very great differences are shown in the following tables:— Netherlands Railway rates.

Comparative table of South African railway rates.

	Normal per ton per mile. d.	Intermediate per ton per mile. d.	Rough per ton per mile. d.
Cape	2·34	2	1·3
Orange Free State	2·34	2	1·3
Natal	3·04	3·04	1·94
Portuguese	4·07	3·53	2·44
Netherlands, *via* Cape	7·7	7·7	7·7
„ „ Natal... ...	5·06	3·82	3·26
„ „ Delagoa ...	4·27	3·69	2·54

AGRICULTURAL PRODUCE.

	Per ton per mile plus terminals.
Cape, for 23 miles	½d.
Orange Free State, for 23 miles	½d.
Natal, for 13 miles	1¾d.
Portuguese	2·2d.
Netherlands, *via* Cape and Orange Free State ...	3·1d.
„ „ Natal	3·26d.
„ „ Delagoa Bay	2·3d.

The mines mainly consume heavy goods that have a low prime cost in the countries from which they are brought. The following table will illustrate the position:— Railway rates on heavy goods.

	Prime cost. £	s.	d.	Rail charge. £	s.	d.
Cargo of Swedish deal ...	1,484	10	5	2,658	13	9
„ Pitch pine ...	2,379	7	1	7,361	8	6
300 casks cement	80	16	10	405	0	0
1,000 cases paraffin ...	207	0	8	306	13	4
1,000 boxes candles ...	347	11	9	104	12	6
120 drums grease	19	9	1	25	15	2
100 shoes and dies	170	15	8	64	11	2
Steel rails	69	3	11	118	12	8

In the United States of America the railway lines cost about £12,000 a mile to build and equip, and the average rate charged on all goods is 2·5 of one penny per ton per mile. The high rate charged by the Netherlands Company for coal traffic is an especial hardship on the mines. The bulk of the coal traffic is carried on the Rand Tram. The rates vary according to distance from 2·08d. per ton per mile to 2·92d. In Natal the rate is ½d. per ton of 2,240lbs. per mile. In the Free State the rate is ½d. per ton of 2,000lbs. The coal mines produced 1,437,297 tons during 1896. It is estimated that the railway received £350,000 for transport of the coal. If the Free State rate were adopted there would be a saving to the mines of over £200,000, and an ample margin would still be left for the railway. The management and general working of the railway also leaves much to be desired. Most of the staff appear to be without railway experience and administer the railway with all the disadvantages to the general public that an unchecked monopoly will allow. The higher adminis-

Cost of equipment and rates of railways in the United States.

Netherlands Railway coal rate.

Natal Railway coal rate.

Free State Railway coal rate.

Netherlands Railway administration.

tration is also inefficient. This is conclusively shown by such facts as the Lingham contract—a document so loosely drawn as to have cost the railway £60,000 to get it cancelled—and the dynamite disaster. Competent administration would have avoided both these evils. Dynamite is another monopoly that bears heavily on the industry. The present lowest price of No. 1 dynamite is 85s. at the factory, plus 2s. 6d. per case for delivery. We are informed that No. 1 dynamite is selling in Germany at 21s. 6d. per case. It would cost 11s. 3d. per case to land it here, making the landed cost 32s. 9d. For the purpose of comparison, we will take the price at which Nobels contracted with the mines in 1893. That was 40s. a case. To that add 5s. a case, as now received by the Government in lieu of duty, bringing the price to 45s. a case. The Government agent sells at 85s., and thus has a margin of profit of 40s. a case. The consumption is equal to 250,000 cases a year, and the mines therefore pay £500,000 a year more than the market value of the article. Amongst the excessive charges making up this enormous sum are the agency charges levied by Mr. Lippert and the royalties in favour of Messrs. Lewis and Marks. Cement furnishes another burden for the mines, increases the cost of building dwelling-houses, and generally has been to the great disadvantage of the community. First-class cement costs in Europe 5s. 6d. per cask of 400lbs. gross weight. It costs 44s. a cask to bring here. The consumer is not only burdened with the heavy cost in freight and railage in bringing the cement to this market, but has to pay a protective duty of 12s. a cask, so as to bolster up the local factory. The protection given the local factory is 12s. a cask through the Customs and 7s. 8d. through excessive railway charges. The local factory produces equal to 30,000 casks per annum, and is, therefore, subsidised by the State to the extent of £28,000 per annum. We submit that such an anomaly as this subsidy to a small industrial company (which is only a parasite on the main industry of the country) should be swept away.

Dynamite monopoly.

— European and Transvaal prices.

Dynamite agency and royalty charges.

Cement.

European and Transvaal prices for cement

Duty on cement.

Cement factory.

The evidence herein already adduced regarding the disastrous experience gained in supporting the dynamite and cement concessions indicates the evils springing from such a policy. The concession to manufacture bricks is another that bears heavily on this community, and should be abolished, and so also should the heavy duty on printed matter.

Brick-making concession.

The incidence of taxation, by which the necessaries of life carry such a heavy share of the burden, should be amended. It is not only an economic mistake, but, in our opinion, a positive wrong to tax the bread of the people. During 1896 grain and flour to the value of £1,000,000 were imported. Although the special duties were suspended the amount paid in ordinary *ad valorem* duties amounted to fully £60,000, and this heavy burden was mainly contributed by the wage-earning portion of the community. The Customs charges are altogether excessive and require material reduction. In all other South African States and Colonies machinery is imported free, but here we have to pay £1 16s. per cent. This charge directly bears on the mines and should be removed. Amongst general questions that have already come under enquiry by the Commission, are white labour, native labour, over-capitalisation and merchants profits.

Incidence of taxation.

Grain and flour duties.

Import dues.

Import duty on machinery.

We are of opinion that no material reduction of white wages will be possible until the cost of living has been reduced. The present policy of high tariffs unduly enhances the cost of necessaries, checks enterprise, and produces such a high cost of living that a workman earning £20 a month can but barely maintain his wife and family. Native labour is an equally important factor to the mines. We are confident that if native labourers were afforded facilities and due protection in coming to these fields, the supply would be so great and continuous as to enable wages to be reduced to an average of 35s. a month. The ill-treatment and hardships of natives whilst

White wages.

Native labour.

coming to and travelling from these fields, the injustice with which they are treated under the Pass Law, and the oppressive regulations imposed on them cost in extra wages alone fully 25s. a month. Estimating for 70,000 natives working for wages in this district, that shows a loss of over one million per annum. To illustrate the oppressive working of the Pass Law we adduce the following recent incident:—A building contractor absconded from Jeppestown and left 25 natives without a fortnight's wages and without their passes. The chief contractor on the job decided to carry on the work, and arranged with the natives for them to continue at work. He went to the Pass Office, reported the case, and asked for new passes for the boys. He was promptly refused, and told that the whole lot would be arrested and fined or imprisoned for being without passes. Such administration can only have one result, and that is to drive away labour, and, as a reflex result, increase the cost of what is left.

Maladministration of Pass Law.

Over-capitalisation is a point that appears to have occasioned some misunderstanding. Whether a mine is over or under capitalised does not in any way affect the working charges. It is purely a market question, and affects the price of shares. The industrial question for the mines is whether or no they can produce 20s. worth of gold at below a cost of 20s., and therefore at a profit. How the mine is capitalised does not affect the industrial problem either way.

Over-capitalisation of mines.

Merchant's profits in Johannesburg are on a narrower margin than in any mining camp in the world. The leading lines used in quantities by the mines are contracted for at a margin of the barest possible profit, and we will submit proofs of this statement.

Johannesburg merchants' profits.

Chairman.

As Chairman of the Chamber, I should have expected you to have given some indication of the measures required to facilitate commerce and agriculture. In your statement there is very little on that point. You practically go over the same ground as traversed by mine managers. I can understand that the prosperity of the mines in a great measure influences the prosperity of commerce and agriculture. But still it cannot be denied that commerce and agriculture are separated from mining, and for the prosperity of the country generally agriculture and commerce should go hand in hand. Your report suggests no redress or measures to be taken to relieve the necessities of commerce and agriculture. Now, what can be done by commerce to assist agriculture? The only point I find in your statement on agriculture is this—that the only thing done by the Government in order to protect the agriculture of this country is that the commercial people want to take away—that is, the import duty on food stuffs.—In the first place, I should like to point out that my report refers to the price of labour, which would materially assist commerce and agriculture, and in order to get commerce and agriculture to flourish in this country, the mining industry, which is the backbone of this country, should flourish. That is why we say that the tax levied by the railways, dynamite, and native wages should be reduced. As shown in the question of dynamite alone, £500,000 could be saved in the way of free trade in dynamite. Take railway statistics. For instance, on a load of coke of a prime cost of £68 10s., the railway carriage was £294. The two Colonies took 293 per cent. of the cost, and the Netherlands Railway for carrying from Vereeniging to Johannesburg got 136 per cent., the entire cost being from Europe to Johannesburg 560 per cent. on the prime cost. So the load which originally cost £68 10s., cost landed here £455 10s. In the matter of pig iron, a lot which cost in England £149, had to pay £294 for transport. The Free State and Cape Colony drew 134 per cent. for carrying, and the Netherlands for a distance of 52 miles got 63 per cent. The

Commerce and agriculture.

Import duty on foodstuffs.

Cost of labour.

Commerce and agriculture dependent on mining industry.

Free trade in dynamite.

Railway rates

cost of laying down a quantity of pig iron costing in Europe £149 1s. 3d. increases by the time of delivery here to £514 1s. 8d. That shows that those heavy railway charges made it so expensive that it must be a heavy burden on the mining industry. Then you say that the Chamber of Commerce tries to take away the only protection granted to agriculture in this country by suggesting the removal of the tax on foodstuffs. If you take the tax on foodstuffs, you will find that not alone is the tax the usual nine per cent. *ad valorem*, but also a special tax in many cases 100 per cent Notwithstanding the expense of this heavy tax very little is coming into the country and up to the present that has not improved the position of agriculture in the country

Import duty on foodstuffs.

Agriculture.

It has not been shown what we have to do to assist agriculture. Pig-iron and dynamite, which you speak about, do not concern agriculture; they concern mining. I want to speak exclusively about agriculture. I think you will agree with me that it is desirable that agriculture, as well as the mines, should be developed in this country. Foodstuffs, which to-day are brought into the country, might be produced in the country itself, and that would also be a great support to commerce. There is hardly any necessity to travel over the same ground as has already been gone over by other witnesses. What the Commission would like to know from the Chamber of Commerce is, what are their requirements, and what can be done to foster agriculture, the importation of machinery, etc. As long as we can import sheep here it appears to me that Mr. Pistorius does not mind what becomes of the agriculture of the country I take it that the prosperity and advancement of the goldfields is a big factor in the country, but the backbone—the sinews of the country—is agriculture. That is why we would have liked very much some opinion on those points. You have shown us how agriculture and commerce can go hand in hand. There is another question I want to speak about—the importation of iron. It is stated that this Republic contains iron as good as any other country. Don't you think there is a chance of getting iron out of this country—that is, instead of importing it at a high cost? Would it not be another development of industry, providing work for thousands of people, and which would keep the money in our own country?—In reply, I would like to say to the Chairman, regarding the prosperity and advancement of agriculture, that I acknowledge it is the backbone of every country. But in this country, so far, agriculture has not provided for the wants of the population. The prosperity of agriculture at the present moment is dependent on the prosperity of the mining industry, and although there is a big market here and good prices for all produce, agriculture has only advanced very little. How can you then say that the Chamber of Commerce or the population want to take away the only protection of the country? The market shows that most of the produce on the market here comes from the Free State and outside. Regarding iron, I believe there is lots of iron in the country, but up to the present I cannot see how it would be possible to get iron out under present conditions. If transport were easy and cheap, and wages to get ore out of the ground were cheap, then I would say, "Yes, let us get the iron out of our own country." Until such times as the conditions are altered in such a manner that it can be worked cheaply, it would be impossible to compete with Europe.

Importation of iron.

Agriculture.

Amount of foodstuffs imported.

Working of Transvaal iron ore.

Mr. *Joubert.*

Commerce and the mining industry.

I want to know in what way is the prosperity of commerce dependent on the prosperity of the mining industry.—Here in Johannesburg they are so closely connected that the prosperity of trade or commerce entirely depends upon the prosperity of the mines.

And the prosperity of the mines and commerce chiefly depends on the prosperity

of agriculture?—The prosperity of the country depends upon the prosperity of the mines.

The country cannot exist for mines and commerce without agriculture. Don't you consider that the regulations which press on the mines and commerce also press on agriculture. The commercial men do not pay import duties; the farmer pays that.—That indirect taxation is paid by the whole population. The reduction in railway rates does not only affect the mines and commerce, but also the farmer.

Mr. *Brakhan.*

All the matters which have been laid before the Commission so far are very clear on some points, except dynamite. The dynamite question seems to be shrouded in a good deal of mystery. We cannot arrive at any particulars as to how much of it is really manufactured here, and in order to arrive at some conclusion about the question I should like to ask you certain things. Can you inform us how much nitrate and how much sulphur has been imported into this Republic by the various railways?—I don't think that the Customs returns show how much of these goods are separately imported. And then, besides, sulphur is largely imported in connection with the Scab Act, for the purpose of sheep dipping.

Importation of materials for dynamite manufacture.

You think it is difficult to find out how much sulphur has actually found its way here into the Transvaal?—There would be no difficulty, provided the Customs authorities took a separate account of it.

I should like to put a suggestion to the Chamber of Commerce and Mercantile Association to try to find out what the quantity has been, and also what quantity of guhr has been imported, and what quantity of ready-made dynamite and nitro-gelatine. I think the latter points should not be so difficult to answer, as the data could no doubt be got from the ports. Nearly all the dynamite which comes into South Africa is used in this Republic.—I don't think that will help you. The quantity of dynamite imported into this country the Government have the statistics of, and guhr also. The dynamite factory could produce that to the Commission, and therefore there would be no occasion to see that specially through the Customs. These matters are all in the hands of the Government.

I think it would be wise if some evidence came from outside quarters.—You mean on this question. I don't see that would help you at all, because the whole of the dynamite consumed on the fields must come through the dynamite factory, and therefore the whole information is at the factory, and in the hands of the Government, and is available, I suppose, for this Commission. The Government can call upon the factory authorities to say what quantity of these goods has been imported.

With regard to the revenue derived from the importation of dynamite, I was glad to see that you take a broad view of the case. I think everyone must know the Government is quite entitled to make a profit out of it, and I hold that your opinion is that the monopoly make too much profit on this very necessary article?—Far too much.

State revenue from dynamite monopoly.

And you hold, as a mercantile man of experience, that there would be no difficulty in importing dynamite at a reasonable rate, and in ample quantities to supply the demand; and if the Government were to receive a duty of 10s. a case, it would mean about £125,000 per annum, and yet you think the mining industry would have enormous benefit?—Certainly.

I see under taxation with regard to the duty which is imposed on machinery, you do not say it is exactly high, but that it should be removed; don't you think, taking other taxation into consideration and the general conditions which prevail here, that this duty of 1½ per cent. is a low one?—In comparison with others it is.

Import duty on machinery.

I hardly think the mining industry has raised the question of this duty being a burden ?—I think they have not, but seeing you wish to develop the resources of the country, therefore you must give the people who undertake this particular duty every opportunity to lay down machinery as cheaply as possible.

I think it is much more important that the railway rates should be cut down to a reasonable extent, and this would make an infinitely bigger amount than this duty of 1½ per cent., which I understand is levied on the cost of machinery in Europe, plus 20 per cent. ?—Yes, making it 36s. per cent. I agree with you that this does not affect the question very materially, but taking into consideration the development of the country, and a new country, particularly where you have many mineral resources to be developed, you want your machinery brought into the country not only for the mining industry, but for agricultural purposes, as cheaply as possible; therefore, the import duties should be taken off and railway rates should be brought down to a reasonably profit-paying basis.

I take it your remark in your statement refers to mining machinery ?—In this particular instance it does, but, we take it, the prosperity of the mines means also the prosperity and development of other industries in the country. We take it the mining industry is the first point with us. Every other industry is dependent on it, and if you develop the mining industry you develop agriculture and the other manufactures in the country.

All Transvaal industries dependent on mining industry.

I personally hold we ought to be fair in our demands. We ought not to ask the Government to cut down everywhere.—That is quite right. If the price of dynamite is reduced, and if you reduce the rates charged by the railway to a fair profit-paying basis, you will help the country forward to such an extent there will be no reason of complaint.

On the other hand, I do not think anyone connected with the mining industry will grumble if they have to pay the rate charged on the cost of machinery in Europe ?—I do not say so either. The object of bringing forward this question of the enormous charges of the railway is to bring indirectly forward the question of the desirability of the Government taking over the railway, and working the railway for the benefit and development of the country. The railway, then coming into the hands of the Government, will be managed by the Government, and then the profits which will be made will be merely sufficient to pay interest on capital and sinking fund. Then the railway rates will be reduced to such an extent that all industries, whether they are mines, manufactures, or agriculture, will be stimulated, and will all benefit to such an extent that they will work hand in hand for the general development of the country. There are many reasons why the public wish to see the railway in the hands of the Government—not only to do away with the enormous charges, but to have the railways as an integral part of the institutions of the country. Then we can expect that railway rates and general management of the railway will be subject to public opinion and the direct control of the Government. We do not say that the general management of the railways should be altered so far as the interior *personnel* is concerned, but as regards the higher officials, and that these should all be controlled by a Government department. Then, of course, we can expect redress, and it will tend to the development of the country.

Expropriation of Netherlands Railway.

Native labour.

Now, with regard to native labour. You refer to the ill-treatment and hardships which the natives have had to undergo in coming to and travelling from these fields; there is no doubt that from the reports we get, the boys are really under very great difficulties whilst coming to the fields—if they come on foot—and also when they go away. Your experience is also in that direction ?—In our business we do not employ the class of natives who come to work on the mines; the majority of the

boys we employ, for instance, in our works, are boys who come from Natal, Cape Colony, or Basutoland, and they come by railway.

But does it come within your knowledge, irrespective of your business, that the boys are subject to ill-treatment?—That is another reason why the railways should be in the hands of the Government: that they will grant facilities to bring boys from their homes and back again in perfect safety, and in a short space of time.

Transport of native labour.

And also that the rates might be lowered, still leaving a profit to the railway?—Certainly. In connection with native labour, I would like to say that at a meeting of the committees of the Chamber of Commerce and Mercantile Association yesterday, a resolution was passed that I should inform the Commission in connection with the native labour question, one of the greatest difficulties which the mines experience with the question of the illicit liquor traffic along the line of reef, whereby a very large number of natives are incapacitated from performing their work for perhaps a third of the week. Provided this liquor traffic was under better control, the miners would have the services of the boys for full time. As a remedy in connection with this matter, they suggest that, instead of a fine, imprisonment should be substituted, and if such were adopted, they feel that a great deal of the present illicit liquor traffic, which is a source of annoyance and inconvenience to the mines, would be removed.

Illicit liquor traffic.

Do you think that the illicit trade to natives is such a remunerative one that the fines are readily forthcoming?—I do not know that for certain, but I have heard that bottles of brandy are sold for 5s. and 6s. which cost 1s.

Under these circumstances, it would certainly appear that imprisonment would be a very much more severe remedy than a fine?—My own opinion was that it was a very drastic resolution, but when other members gave their experience and said that these illicit dealers were fined once, twice, and three or four times, and it did not prevent them from carrying on the business, I came to the conclusion that, under these circumstances, nothing but very drastic measures would prevent the continuance of this business, and cause an improvement in the natives in physique, and an advantage to the employers and mines.

Mr. *de Beer.*

There are two institutions in Johannesburg of the same kind, the Mercantile Association and the Chamber of Commerce—have they got the same object in view?—Yes.

Johannesburg Mercantile Association and Johannesburg Chamber of Commerce.

Then why should there be two?—It is difficult to give an explanation to that. We work harmoniously together for the prosperity and advancement of commerce.

Would it not be better to have amalgamation instead of harmonious working?—I suppose it is a case of "many people many minds."

Witness said that no bricks could be made by machinery because there was a concession given. The quantity of bricks made certainly did not improve the quality. What is the price of machine-made bricks?—About £4 10s. per 1,000.

Brick-making concession.

Price of bricks.

It is a very high price.—Yes, under ordinary circumstances it should be about £3 per 1,000. That would be a good price if brick-making was open to the public.

Now, take the same class of bricks, hand-made; what could they be made for?—There is a difference between the two. A hard-pressed brick, made by machinery, is very much better than a soft-pressed one made by hand. There is no comparison.

You say that there is a heavy tax on food-stuffs. It is not an *ad valorem* duty of 5 per cent. only?—Oh, no. There is an *ad valorem* duty of 7½ per cent., with the addition of 20 per cent.; or, in other words, we have to pay 7½ per cent. on £120, and that brings the duty up to 9 per cent. In addition, there is a special duty on different articles of commerce.

Import duty on foodstuffs.

Mr. *Brakhan.*

Illicit sale of liquor.

I see in your statement that you say you consider many of your companies have suffered greatly through the illicit and unrestrained supply of strong drink to natives Where principally are these canteens situated which have done this harm to the industry?—At Randfontein.

Are some of these canteens situated on mining areas?—Some are situated on stands on claims, and I think all the claims adjoin the mijnpacht

Liquor licences.

The law as it was promulgated some time ago provided that no canteen licences shall be permitted on mining areas?—Mr. Langermann, my representative at that time, brought on action before the Court with regard to the decision arrived at by the Licensing Court. The Court gave judgment the other day reversing the decision of the Licensing Board. To show how matters are complicated, there is a licensing case pending the decision of the Court, and the Licensing Board granted these men a licence.

Undesirability of canteens on mining areas.

Then you hold that it would be a good thing for the natives that no licences should be issued on mining areas?—Certainly, it would be good for them. Of course, if the industry is unhampered with such drawbacks as the sale of liquor to natives, it stands to reason that the whole State must benefit by it. I certainly say that no licences should be granted on mining areas.

Then you hold that these canteens on mining areas, although they are now only permitted to sell to white people, yet there is a great deal of likelihood that they will also sell liquor to natives?—Oh, yes. The natives are seen carrying any number of bottles of brandy.

You think the argument of the Licensed Victuallers' Association, that these people can only sell to white people, does not hold good?—Certainly. I am sure it does not hold good.

Taxation of gold.

You have given your opinion with regard to the article which appeared in *Machinery*. Now I take it that this article will lead people to believe that the gold produced is really the last product of the company. Now, don't you hold that the last product of a company is the dividend which it pays?—Yes.

Don't you think that if this suggestion would be followed upon, that these poor mines would be very much handicapped in comparison to the rich ones?—In what way?

Because I take it, the poor mines would have to pay the same amount of their production, although their profit is minimum?—Certainly. It is a dangerous policy to introduce such a thing. It will have a very injurious effect if you tax gold.

Taxation of dividends.

Don't you think it is much more advisable to introduce a tax on dividends?—I object to that also. I don't say that for any personal reason. But I say this: that, if instead of reducing taxation the Commission is going to impose further taxation, I foresee that no good will result. That I say in plain English. The forecast I made to-day is right. You don't want further taxation; you ought to lessen it. The balance of the budget will not be disturbed.

We do not anticipate, if these reductions are made, that in the long run the Government will be on the wrong side with the budget. Yet it may be necessary.—They won't be on the wrong side. They want to raise a million to-morrow for public works, and then it is off the revenue of the country. It is easily adjusted. There is no danger of the balance getting on the wrong side.

Loan for public works desirable.

Taxation of gold or dividends reprehensible.

If it came to a question of whether the gold product or dividends should be taxed, would you not prefer that dividends rather than gold be taxed?—I don't prefer anything of the kind, because I think you are starting a dangerous theory. You have

no idea what you are doing. If the outcome of the Commission's work is to tax dividends or gold I should be sorry you have been appointed on the Commission, By that tax you are not going to benefit this country. You should wait until circumstances arise before you raise this question. You should not start this question at a moment like this. You should see whether you can reduce taxation, and how to restore confidence and bring back the prosperity of the country; you should not seek an outlet of this nature. Why, you will completely frighten people at home.

It has been started in the papers, and I want to point out the danger Yet are there not other countries where they have an income tax?—Yes; but I prefer a country where there is no income tax.

Income tax undesirable in Transvaal.

But the question is—if the occasion should arise whether there should be a tax on gold or on income, which would you prefer?—I don't admit either. It is suicidal so far as the industry is concerned.

I don't think we can argue that way, as in well established countries an income tax does exist.—In well established countries you have a great many industries. Here we are dependent entirely upon the industry—the mining industry, which is the backbone of the country. If, as in Germany or England, there were all kinds of industries of their own, of course the position would be different, but here the whole position depends upon the profitable working of the mines, upon inspiring people in Europe with confidence so that they will invest in the country and assist us in developing the resources of this country. If you once begin to tax gold or tax dividends, you will certainly do an immense amount of harm. You will stop that good which we all anticipate will follow the action of this Commission.

Taxation of gold undesirable.

I personally hold that it would be better for the welfare of the mining industry, that it should get every possible facility from a reduction of railway rates and other sources. In that case the revenue of the State would be curtailed, and ways and means should be devised to balance the budget. But it should not be a tax on the production of gold if other means can be found.—There should not be a tax on gold or dividends. Other ways can be found.

Taxation of gold produced on mynpachts.

I have previously referred another witness to a certain point in the Gold Law, namely, where the Gold Law provides that in the case of mijnpachts Government have a right to 2½ per cent. on the gold produced. Do you consider that a good or a bad proposition?—It is a very bad one. I have often discussed that with high officials, and they themselves knew that if they imposed that tax it would have a very bad effect.

Now, the Government not having imposed the tax heretofore, is not that a guarantee that Government is not going to impose a tax on production or dividends, which is likely to be injurious to the industry.—I am quite sure the Government won't do such a thing.

Claim licences.

Do you consider that the Gold Law in other respects, say, as regards the tax imposed on claim licences, is reasonable, and not oppressive?—I think so, more especially now they have made the alteration with the Mining Commissioner's department, who have got power, according to the Gold Law, to regulate what amount shall be paid as claim licences and what as prospectors' licences.

Distinction of claim and prospectors' licences.

You think, then, that diggers' licences should only be asked for on claims actually worked?—That is a matter for consideration. It is a point I have not thought of.

Mr. *Smit.*

Increased output

You said this morning, in reply to a question, that you would expect a bigger output when more mines were working?—Yes, in those mines with improved machinery and increased steam power.

The initial expenses of a mine, the development, etc., are much heavier than the expenses when it is started and in full swing?—Yes, much heavier.

These new mines which are started, are they so good that they will pay expenses, seeing that some old mines had to close down on account of not being able to pay expenses?—Yes.

Reason for good effect of expropriation in Europe.

You think the expropriation would create a good impression not only here but in Europe?—Yes.

But why?—Because the impression is only to be formed that when the Government holds the railway it will alter the position, and they could regulate the tariff as they liked, to meet the wants of the country. Apart from that, the railway would be regarded as a valuable asset in the hands of the Government.

Have they got such a lot of interest in our Government that they are anxious the Government should have good assets?—I am taking up the position that this railway is a very important factor in the welfare of the country, and when I come to consider that we look towards Europe for our support in making this country what it actually is at the present time, and what I maintain it will be through the inflow of further capital, I say to bring about that desirable object the Government should be possessed of the railway to restore that confidence, and make the investing public at Home realise that the asset is the property of the Government, and they can do with it as they think fit.

Expropriation of railway preferable to reduction of railway rates alone.

But supposing tariffs are put on an equitable basis in order to meet all the requirements of the Commission, does it then concern you much whether it is run by a private company or by the Government?—I have answered that already. It would be a very good thing if the tariffs were brought down. It would be of great assistance to the people of this Republic. But I am taking a higher and more comprehensive view. It is a question of very high finance. It will have a moral and financial effect throughout Europe, and would have a great effect on the future progress of this country.

This concluded Mr. Robinson's evidence, for which he was thanked by the Chairman.

Mr. H. F. E. Pistorius' evidence.

MR. H. F. E. PISTORIUS submitted the following statement from the Joint Committee of the Chamber of Commerce and Mercantile Association:—

Mining industry is financial and industrial mainstay of country.

This committee, representing the merchants and traders of Johannesburg, makes the following statement regarding the present position of the mining industry, always bearing in mind that that industry is the financial and industrial mainstay of the country. Without the market afforded by the mines other industries could not exist in the Transvaal, and this economic fact is so far-reaching in its effect on local industries that even agriculture comes under the same rule. The successful working of the mines affords a basis for industrial, agricultural and commercial development in many other ways. Admitting this fact then, the first necessity for the prosperity of the country from an industrial standpoint is to ensure the success of the mines.

Unjust burdens on mines.

We are of opinion that at present the mines have to carry many heavy and indefensible burdens. The chief of these are the monopolies for railways and for explosives. We ask the favour of your careful consideration of the following burdens that can be readily removed:—

Railway monopoly.

Railways being necessarily a monopoly, and in all countries superseding the highways of the country, are consequently under different economic and administrative conditions to other industrial enterprises. The public have to be guarded against the possibilities of such a monopoly as that afforded by a railway, being used to the general disadvantage. In England and America the average dividends paid by the

railways amount to between 3 and 4 per cent. per annum. In view of these facts the rates charged and profits secured by the Netherlands railway cannot be justified. The rates obtaining on the Netherlands Railway are far in excess of those ruling on all other lines in South Africa. The very great differences are shown in the following tables:— Netherlands Railway rates.

Comparative table of South African railway rates.

	Normal per ton per mile. d.	Intermediate per ton per mile. d.	Rough per ton per mile. d.
Cape	2·34	2	1·3
Orange Free State	2·34	2	1·3
Natal	3·04	3·04	1·94
Portuguese	4·07	3·53	2·44
Netherlands, *via* Cape	7·7	7·7	7·7
„ „ Natal... ...	5·06	3·82	3·26
„ „ Delagoa ...	4·27	3·69	2·54

AGRICULTURAL PRODUCE.

	Per ton per mile plus terminals.
Cape, for 23 miles	½d.
Orange Free State, for 23 miles	½d.
Natal, for 13 miles	1¾d.
Portuguese	2·2d.
Netherlands, *via* Cape and Orange Free State ...	3·1d.
„ „ Natal	3·26d.
„ „ Delagoa Bay	2·3d.

The mines mainly consume heavy goods that have a low prime cost in the countries from which they are brought. The following table will illustrate the position:— Railway rates on heavy goods.

	Prime cost. £	s.	d.	Rail charge. £	s.	d.
Cargo of Swedish deal ...	1,484	10	5	2,658	13	9
„ Pitch pine ...	2,379	7	1	7,361	8	6
300 casks cement	80	16	10	405	0	0
1,000 cases paraffin ...	207	0	8	306	13	4
1,000 boxes candles ...	347	11	9	104	12	6
120 drums grease	19	9	1	25	15	2
100 shoes and dies	170	15	8	64	11	2
Steel rails	69	3	11	118	12	8

In the United States of America the railway lines cost about £12,000 a mile to build and equip, and the average rate charged on all goods is 2·5 of one penny per ton per mile. The high rate charged by the Netherlands Company for coal traffic is an especial hardship on the mines. The bulk of the coal traffic is carried on the Rand Tram. The rates vary according to distance from 2·08d. per ton per mile to 2·92d. In Natal the rate is ½d. per ton of 2,240lbs. per mile. In the Free State the rate is ½d. per ton of 2,000lbs. The coal mines produced 1,437,297 tons during 1896. It is estimated that the railway received £350,000 for transport of the coal. If the Free State rate were adopted there would be a saving to the mines of over £200,000, and an ample margin would still be left for the railway. The management and general working of the railway also leaves much to be desired. Most of the staff appear to be without railway experience and administer the railway with all the disadvantages to the general public that an unchecked monopoly will allow. The higher adminis-

Cost of equipment and rates of railways in the United States.

Netherlands Railway coal rate.

Natal Railway coal rate.

Free State Railway coal rate.

Netherlands Railway administration.

tration is also inefficient. This is conclusively shown by such facts as the Lingham contract—a document so loosely drawn as to have cost the railway £60,000 to get it cancelled—and the dynamite disaster. Competent administration would have avoided both these evils. Dynamite is another monopoly that bears heavily on the industry. The present lowest price of No. 1 dynamite is 85s. at the factory, plus 2s. 6d. per case for delivery. We are informed that No. 1 dynamite is selling in Germany at 21s. 6d. per case. It would cost 11s. 3d. per case to land it here, making the landed cost 32s. 9d. For the purpose of comparison, we will take the price at which Nobels contracted with the mines in 1893. That was 40s. a case. To that add 5s. a case, as now received by the Government in lieu of duty, bringing the price to 45s. a case. The Government agent sells at 85s., and thus has a margin of profit of 40s. a case. The consumption is equal to 250,000 cases a year, and the mines therefore pay £500,000 a year more than the market value of the article. Amongst the excessive charges making up this enormous sum are the agency charges levied by Mr. Lippert and the royalties in favour of Messrs. Lewis and Marks. Cement furnishes another burden for the mines, increases the cost of building dwelling-houses, and generally has been to the great disadvantage of the community. First-class cement costs in Europe 5s. 6d. per cask of 400lbs. gross weight. It costs 44s. a cask to bring here. The consumer is not only burdened with the heavy cost in freight and railage in bringing the cement to this market, but has to pay a protective duty of 12s. a cask, so as to bolster up the local factory. The protection given the local factory is 12s. a cask through the Customs and 7s. 8d. through excessive railway charges. The local factory produces equal to 30,000 casks per annum, and is, therefore, subsidised by the State to the extent of £28,000 per annum. We submit that such an anomaly as this subsidy to a small industrial company (which is only a parasite on the main industry of the country) should be swept away.

Dynamite monopoly.

— European and Transvaal prices.

Dynamite agency and royalty charges.

Cement.

European and Transvaal prices for cement

Duty on cement.

Cement factory.

The evidence herein already adduced regarding the disastrous experience gained in supporting the dynamite and cement concessions indicates the evils springing from such a policy. The concession to manufacture bricks is another that bears heavily on this community, and should be abolished, and so also should the heavy duty on printed matter.

Brick-making concession.

The incidence of taxation, by which the necessaries of life carry such a heavy share of the burden, should be amended. It is not only an economic mistake, but, in our opinion, a positive wrong to tax the bread of the people. During 1896 grain and flour to the value of £1,000,000 were imported. Although the special duties were suspended the amount paid in ordinary *ad valorem* duties amounted to fully £60,000, and this heavy burden was mainly contributed by the wage-earning portion of the community. The Customs charges are altogether excessive and require material reduction. In all other South African States and Colonies machinery is imported free, but here we have to pay £1 16s. per cent. This charge directly bears on the mines and should be removed. Amongst general questions that have already come under enquiry by the Commission, are white labour, native labour, over-capitalisation and merchants profits.

Incidence of taxation.

Grain and flour duties.

Import dues.

Import duty on machinery.

We are of opinion that no material reduction of white wages will be possible until the cost of living has been reduced. The present policy of high tariffs unduly enhances the cost of necessaries, checks enterprise, and produces such a high cost of living that a workman earning £20 a month can but barely maintain his wife and family. Native labour is an equally important factor to the mines. We are confident that if native labourers were afforded facilities and due protection in coming to these fields, the supply would be so great and continuous as to enable wages to be reduced to an average of 35s. a month. The ill-treatment and hardships of natives whilst

White wages.

Native labour.

coming to and travelling from these fields, the injustice with which they are treated under the Pass Law, and the oppressive regulations imposed on them cost in extra wages alone fully 25s. a month. Estimating for 70,000 natives working for wages in this district, that shows a loss of over one million per annum. To illustrate the oppressive working of the Pass Law we adduce the following recent incident:—A building contractor absconded from Jeppestown and left 25 natives without a fortnight's wages and without their passes. The chief contractor on the job decided to carry on the work, and arranged with the natives for them to continue at work. He went to the Pass Office, reported the case, and asked for new passes for the boys. He was promptly refused, and told that the whole lot would be arrested and fined or imprisoned for being without passes. Such administration can only have one result, and that is to drive away labour, and, as a reflex result, increase the cost of what is left.

Maladministration of Pass Law.

Over-capitalisation is a point that appears to have occasioned some misunderstanding. Whether a mine is over or under capitalised does not in any way affect the working charges. It is purely a market question, and affects the price of shares. The industrial question for the mines is whether or no they can produce 20s. worth of gold at below a cost of 20s., and therefore at a profit. How the mine is capitalised does not affect the industrial problem either way.

Over-capitalisation of mines.

Merchant's profits in Johannesburg are on a narrower margin than in any mining camp in the world. The leading lines used in quantities by the mines are contracted for at a margin of the barest possible profit, and we will submit proofs of this statement.

Johannesburg merchants' profits.

Chairman.

As Chairman of the Chamber, I should have expected you to have given some indication of the measures required to facilitate commerce and agriculture. In your statement there is very little on that point. You practically go over the same ground as traversed by mine managers. I can understand that the prosperity of the mines in a great measure influences the prosperity of commerce and agriculture. But still it cannot be denied that commerce and agriculture are separated from mining, and for the prosperity of the country generally agriculture and commerce should go hand in hand. Your report suggests no redress or measures to be taken to relieve the necessities of commerce and agriculture. Now, what can be done by commerce to assist agriculture? The only point I find in your statement on agriculture is this—that the only thing done by the Government in order to protect the agriculture of this country is that the commercial people want to take away—that is, the import duty on food stuffs.—In the first place, I should like to point out that my report refers to the price of labour, which would materially assist commerce and agriculture, and in order to get commerce and agriculture to flourish in this country, the mining industry, which is the backbone of this country, should flourish. That is why we say that the tax levied by the railways, dynamite, and native wages should be reduced. As shown in the question of dynamite alone, £500,000 could be saved in the way of free trade in dynamite. Take railway statistics. For instance, on a load of coke of a prime cost of £68 10s., the railway carriage was £294. The two Colonies took 293 per cent. of the cost, and the Netherlands Railway for carrying from Vereeniging to Johannesburg got 136 per cent., the entire cost being from Europe to Johannesburg 560 per cent. on the prime cost. So the load which originally cost £68 10s., cost landed here £455 10s. In the matter of pig iron, a lot which cost in England £149, had to pay £294 for transport. The Free State and Cape Colony drew 134 per cent. for carrying, and the Netherlands for a distance of 52 miles got 63 per cent. The

Commerce and agriculture.

Import duty on foodstuffs.

Cost of labour.

Commerce and agriculture dependent on mining industry.

Free trade in dynamite.

Railway rates

cost of laying down a quantity of pig iron costing in Europe £149 1s. 3d. increases by the time of delivery here to £514 1s. 8d. That shows that those heavy railway charges made it so expensive that it must be a heavy burden on the mining industry. Then you say that the Chamber of Commerce tries to take away the only protection granted to agriculture in this country by suggesting the removal of the tax on foodstuffs. If you take the tax on foodstuffs, you will find that not alone is the tax the usual nine per cent. *ad valorem*, but also a special tax in many cases 100 per cent Notwithstanding the expense of this heavy tax very little is coming into the country and up to the present that has not improved the position of agriculture in the country

Import duty on foodstuffs.

Agriculture.

It has not been shown what we have to do to assist agriculture. Pig-iron and dynamite, which you speak about, do not concern agriculture; they concern mining. I want to speak exclusively about agriculture. I think you will agree with me that it is desirable that agriculture, as well as the mines, should be developed in this country. Foodstuffs, which to-day are brought into the country, might be produced in the country itself, and that would also be a great support to commerce. There is hardly any necessity to travel over the same ground as has already been gone over by other witnesses. What the Commission would like to know from the Chamber of Commerce is, what are their requirements, and what can be done to foster agriculture, the importation of machinery, etc. As long as we can import sheep here it appears to me that Mr. Pistorius does not mind what becomes of the agriculture of the country I take it that the prosperity and advancement of the goldfields is a big factor in the country, but the backbone—the sinews of the country—is agriculture. That is why we would have liked very much some opinion on those points. You have shown us how agriculture and commerce can go hand in hand. There is another question I want to speak about—the importation of iron. It is stated that this Republic contains iron as good as any other country. Don't you think there is a chance of getting iron out of this country—that is, instead of importing it at a high cost? Would it not be another development of industry, providing work for thousands of people, and which would keep the money in our own country?—In reply, I would like to say to the Chairman, regarding the prosperity and advancement of agriculture, that I acknowledge it is the backbone of every country. But in this country, so far, agriculture has not provided for the wants of the population. The prosperity of agriculture at the present moment is dependent on the prosperity of the mining industry, and although there is a big market here and good prices for all produce, agriculture has only advanced very little. How can you then say that the Chamber of Commerce or the population want to take away the only protection of the country? The market shows that most of the produce on the market here comes from the Free State and outside. Regarding iron, I believe there is lots of iron in the country, but up to the present I cannot see how it would be possible to get iron out under present conditions. If transport were easy and cheap, and wages to get ore out of the ground were cheap, then I would say, "Yes, let us get the iron out of our own country." Until such times as the conditions are altered in such a manner that it can be worked cheaply, it would be impossible to compete with Europe.

Importation of iron.

Agriculture.

Amount of foodstuffs imported.

Working of Transvaal iron ore.

Mr. *Joubert.*

Commerce and the mining industry.

I want to know in what way is the prosperity of commerce dependent on the prosperity of the mining industry.—Here in Johannesburg they are so closely connected that the prosperity of trade or commerce entirely depends upon the prosperity of the mines.

And the prosperity of the mines and commerce chiefly depends on the prosperity

of agriculture?—The prosperity of the country depends upon the prosperity of the mines.

The country cannot exist for mines and commerce without agriculture. Don't you consider that the regulations which press on the mines and commerce also press on agriculture. The commercial men do not pay import duties; the farmer pays that.—That indirect taxation is paid by the whole population. The reduction in railway rates does not only affect the mines and commerce, but also the farmer.

Mr. *Brakhan.*

All the matters which have been laid before the Commission so far are very clear on some points, except dynamite. The dynamite question seems to be shrouded in a good deal of mystery. We cannot arrive at any particulars as to how much of it is really manufactured here, and in order to arrive at some conclusion about the question I should like to ask you certain things. Can you inform us how much nitrate and how much sulphur has been imported into this Republic by the various railways?—I don't think that the Customs returns show how much of these goods are separately imported. And then, besides, sulphur is largely imported in connection with the Scab Act, for the purpose of sheep dipping.

Importation of materials for dynamite manufacture.

You think it is difficult to find out how much sulphur has actually found its way here into the Transvaal?—There would be no difficulty, provided the Customs authorities took a separate account of it.

I should like to put a suggestion to the Chamber of Commerce and Mercantile Association to try to find out what the quantity has been, and also what quantity of guhr has been imported, and what quantity of ready-made dynamite and nitro-gelatine. I think the latter points should not be so difficult to answer, as the data could no doubt be got from the ports. Nearly all the dynamite which comes into South Africa is used in this Republic.—I don't think that will help you. The quantity of dynamite imported into this country the Government have the statistics of, and guhr also. The dynamite factory could produce that to the Commission, and therefore there would be no occasion to see that specially through the Customs. These matters are all in the hands of the Government.

I think it would be wise if some evidence came from outside quarters.—You mean on this question. I don't see that would help you at all, because the whole of the dynamite consumed on the fields must come through the dynamite factory, and therefore the whole information is at the factory, and in the hands of the Government, and is available, I suppose, for this Commission. The Government can call upon the factory authorities to say what quantity of these goods has been imported.

State revenue from dynamite monopoly.

With regard to the revenue derived from the importation of dynamite, I was glad to see that you take a broad view of the case. I think everyone must know the Government is quite entitled to make a profit out of it, and I hold that your opinion is that the monopoly make too much profit on this very necessary article?—Far too much.

And you hold, as a mercantile man of experience, that there would be no difficulty in importing dynamite at a reasonable rate, and in ample quantities to supply the demand; and if the Government were to receive a duty of 10s. a case, it would mean about £125,000 per annum, and yet you think the mining industry would have enormous benefit?—Certainly.

Import duty on machinery

I see under taxation with regard to the duty which is imposed on machinery, you do not say it is exactly high, but that it should be removed; don't you think, taking other taxation into consideration and the general conditions which prevail here, that this duty of 1½ per cent. is a low one?—In comparison with others it is.

I hardly think the mining industry has raised the question of this duty being a burden ?—I think they have not, but seeing you wish to develop the resources of the country, therefore you must give the people who undertake this particular duty every opportunity to lay down machinery as cheaply as possible.

I think it is much more important that the railway rates should be cut down to a reasonable extent, and this would make an infinitely bigger amount than this duty of 1½ per cent., which I understand is levied on the cost of machinery in Europe, plus 20 per cent. ?—Yes, making it 36s. per cent. I agree with you that this does not affect the question very materially, but taking into consideration the development of the country, and a new country, particularly where you have many mineral resources to be developed, you want your machinery brought into the country not only for the mining industry, but for agricultural purposes, as cheaply as possible; therefore, the import duties should be taken off and railway rates should be brought down to a reasonably profit-paying basis.

I take it your remark in your statement refers to mining machinery ?—In this particular instance it does, but, we take it, the prosperity of the mines means also the prosperity and development of other industries in the country. We take it the mining industry is the first point with us. Every other industry is dependent on it, and if you develop the mining industry you develop agriculture and the other manufactures in the country.

All Transvaal industries dependent on mining industry.

I personally hold we ought to be fair in our demands. We ought not to ask the Government to cut down everywhere.—That is quite right. If the price of dynamite is reduced, and if you reduce the rates charged by the railway to a fair profit-paying basis, you will help the country forward to such an extent there will be no reason of complaint.

On the other hand, I do not think anyone connected with the mining industry will grumble if they have to pay the rate charged on the cost of machinery in Europe ?—I do not say so either. The object of bringing forward this question of the enormous charges of the railway is to bring indirectly forward the question of the desirability of the Government taking over the railway, and working the railway for the benefit and development of the country. The railway, then coming into the hands of the Government, will be managed by the Government, and then the profits which will be made will be merely sufficient to pay interest on capital and sinking fund. Then the railway rates will be reduced to such an extent that all industries, whether they are mines, manufactures, or agriculture, will be stimulated, and will all benefit to such an extent that they will work hand in hand for the general development of the country. There are many reasons why the public wish to see the railway in the hands of the Government—not only to do away with the enormous charges, but to have the railways as an integral part of the institutions of the country. Then we can expect that railway rates and general management of the railway will be subject to public opinion and the direct control of the Government. We do not say that the general management of the railways should be altered so far as the interior *personnel* is concerned, but as regards the higher officials, and that these should all be controlled by a Government department. Then, of course, we can expect redress, and it will tend to the development of the country.

Expropriation of Netherlands Railway.

Native labour.

Now, with regard to native labour. You refer to the ill-treatment and hardships which the natives have had to undergo in coming to and travelling from these fields; there is no doubt that from the reports we get, the boys are really under very great difficulties whilst coming to the fields—if they come on foot—and also when they go away. Your experience is also in that direction ?—In our business we do not employ the class of natives who come to work on the mines; the majority of the

boys we employ, for instance, in our works, are boys who come from Natal, Cape Colony, or Basutoland, and they come by railway.

But does it come within your knowledge, irrespective of your business, that the boys are subject to ill-treatment?—That is another reason why the railways should be in the hands of the Government: that they will grant facilities to bring boys from their homes and back again in perfect safety, and in a short space of time.

Transport of native labour.

And also that the rates might be lowered, still leaving a profit to the railway?—Certainly. In connection with native labour, I would like to say that at a meeting of the committees of the Chamber of Commerce and Mercantile Association yesterday, a resolution was passed that I should inform the Commission in connection with the native labour question, one of the greatest difficulties which the mines experience with the question of the illicit liquor traffic along the line of reef, whereby a very large number of natives are incapacitated from performing their work for perhaps a third of the week. Provided this liquor traffic was under better control, the miners would have the services of the boys for full time. As a remedy in connection with this matter, they suggest that, instead of a fine, imprisonment should be substituted, and if such were adopted, they feel that a great deal of the present illicit liquor traffic, which is a source of annoyance and inconvenience to the mines, would be removed.

Illicit liquor traffic.

Do you think that the illicit trade to natives is such a remunerative one that the fines are readily forthcoming?—I do not know that for certain, but I have heard that bottles of brandy are sold for 5s. and 6s. which cost 1s.

Under these circumstances, it would certainly appear that imprisonment would be a very much more severe remedy than a fine?—My own opinion was that it was a very drastic resolution, but when other members gave their experience and said that these illicit dealers were fined once, twice, and three or four times, and it did not prevent them from carrying on the business, I came to the conclusion that, under these circumstances, nothing but very drastic measures would prevent the continuance of this business, and cause an improvement in the natives in physique, and an advantage to the employers and mines.

Mr. *de Beer.*

There are two institutions in Johannesburg of the same kind, the Mercantile Association and the Chamber of Commerce—have they got the same object in view?—Yes.

Johannesburg Mercantile Association and Johannesburg Chamber of Commerce.

Then why should there be two?—It is difficult to give an explanation to that. We work harmoniously together for the prosperity and advancement of commerce.

Would it not be better to have amalgamation instead of harmonious working?—I suppose it is a case of "many people many minds."

Witness said that no bricks could be made by machinery because there was a concession given. The quantity of bricks made certainly did not improve the quality. What is the price of machine-made bricks?—About £4 10s. per 1,000.

Brick-making concession.

Price of bricks.

It is a very high price.—Yes, under ordinary circumstances it should be about £3 per 1,000. That would be a good price if brick-making was open to the public.

Now, take the same class of bricks, hand-made; what could they be made for?—There is a difference between the two. A hard-pressed brick, made by machinery, is very much better than a soft-pressed one made by hand. There is no comparison.

You say that there is a heavy tax on food-stuffs. It is not an *ad valorem* duty of 5 per cent. only?—Oh, no. There is an *ad valorem* duty of 7½ per cent., with the addition of 20 per cent.; or, in other words, we have to pay 7½ per cent. on £120, and that brings the duty up to 9 per cent. In addition, there is a special duty on different articles of commerce.

Import duty on foodstuffs.

Does the 9 per cent. not include the special duty?—No.

Maladministration of Pass Law.

Now, with regard to the Pass Law. You give an instance of a kaffir being ill-treated. Do you know of any other cases?—No, I am not intimately acquainted with the law. Other witnesses will doubtless be able to give you many instances.

Are you personally acquainted with the case you cited?—No, it was reported to me.

Cost of native labour.

How do you make out the 25s. extra wages required to be paid to the boys?—We have to pay them 25s. more than we ought, owing to the stringent laws, and the lack of protection afforded to them on the roads. If they were better protected, and could be brought here cheaper, I think we could get them to work for 35s. Take a contractor on the Natal Railways employing a number of boys. While they are in Natal terrritory they pay the natives 30s. a month, but the moment the boys cross the border at Volksrust, they want higher wages, because they are taken up and fined for the smallest offence. Therefore they must be paid at a higher rate to compensate them.

Over-capitalisation of mines.

You refer to over-capitalisation of the mines. Do not you think that over-capitalisation affects the credit of the country as well as the mines?—No, not the country so much. It affects the shareholders, not initially, but when they find out that their mine has been over-capitalised; but that is not the question. The question is whether the mine can be worked at a profit.

We are well aware of that, but we consider that, eventually, over-capitalisation of mines will cause the credit of the country to suffer.—It may eventually, but it is impossible to find out whether the mine has been over-capitalised. When a property is floated, a large sum is sunk in the mine, and, as development proceeds, it may be necessary to increase the capital, and yet after all the mine might be found unpayable.

Do not you think too much money is invested in the properties?—No, besides the importation of money would not detrimentally affect any country.

Look at Capetown. It is an old-established town. It has its port, and extensive commerce attends it. No one has thought of putting up such extensive buildings.—Perhaps, but the buildings in Johannesburg are erected in many cases out of money made on share transactions in Europe.

The Lingham contract.

You refer to the Lingham contract. What do you mean by the contract?—The contract entered into between Lingham and the Netherlands Railway Company to carry wood from Delagoa Bay at a lower rate than the ordinary tariff. It was found that it did not pay the Railway Company, and they cancelled it; and it is said they paid Lingham £60,000 to get out of it.

Mr. *Smit.*

Do you know it for a fact?—No.

Do you know that the contract was entered into?—I cannot swear that it was signed.

You should not make such damaging statements unless you are sure of them.—I know that there was such a contract, but it was given to me in such a manner as to preclude me from referring to it in detail. The Chamber of Commerce has the copy.

The Pass Law.

Do you think that the Pass Law, even if properly carried out, would be a bad law?—I think that the law, if properly carried out, will prove a very good law, and it will prevent desertion, because the boys deserting will be brought back to the mines from where they ran away, by the administration. If the kaffirs once knew that they could not easily escape, desertions would be minimised.

I think so myself.—Yes, perhaps not one in a hundred would desert. I consider the fine of £3 a heavy one.

It was fixed for the purpose of deterring boys from deserting.—Yes, but still it is a heavy one. If there was an efficient and sufficient staff, the boys would not desert

so frequently. They never like to be brought back to the mines from which they desert, and if they know that they will almost certainly be recaptured should they desert, they will not run away.

But it is difficult to recognise a kaffir.—I don't know if you are acquainted with the togt law in force in Natal. There they have headmen, who are appointed over the kaffirs. He knows his boys, and it is his duty to bring back runaways. But that, again, is simply an administrative matter.

Over-capitalisation of mines.

You say that it does not matter whether a mine is over-capitalised or not, it would not affect the working costs. It will affect the dividends, though?—Yes; I repeat it might affect the shareholders, but it has nothing to do with the working costs.

It speaks for itself that it affects the payability of the mine. If a mine with a capital of one million sterling paid 5 per cent., the same mine with two millions capital would pay only 2½ per cent.?—Yes, but you cannot find out whether a mine is over-capitalised or not until the capital is exhausted.

Mr. *Hugo.*

Agents' charges on dynamite.

When you referred to dynamite, what did you mean by agents' charges?—It is admitted that Messrs. Lippert, and Lewis and Marks, both get a royalty on dynamite.

But you refer to agents' charges?—Yes; but dynamite is sold only by Lippert or his agents.

Do you know the amount of royalty?—No; but I know that the price charged—that is, 85s. per case—leaves about 40s. per case for dividends.

Chairman.

You are the Chairman of the Chamber of Commerce?—Yes.

Mr. A. A. evidence.

Mr. A. A. NOBLE was next examined, and stated that he was a merchant residing in Johannesburg, and Chairman of the Mercantile Association.

He said he confirmed the evidence of Mr. Pistorius, and he had made a few notes in addition which he would give. Proceeding, he said:—Under the heading of railways, I would give one instance in addition to what has already been given to show the very high rate charged by the Netherlands Company on South African produce. The rate from Winburg Road to Mid-Vaal, a distance of 150 miles, is 6s. 8d. per ton for the whole distance. The rate from Mid-Vaal to Johannesburg—52 miles—is 13s. 4d., or double the amount for one-third the distance. Bearing on the lack of encouragement given by the railway in favour of the Transvaal farmer, I have at present a consignment of hay from Standerton, which left that village on the 27th April. The hay was delivered this morning after three applications to the railway station to see what had become of it. No explanation of the delay is given, and as this was a trial consignment, it is quite possible that had it come within reasonable time two or three further consignments would have been here now. There is another point we desire to bring out, namely, the manner in which the Netherlands Railway make use of the clause referring to goods carried at owner's risk. There is an instance of a consignment—a truck load of grain bags—being despatched from Delagoa Bay in June last year. It has not yet been delivered, and the railway department repudiates its liability under the clause that the goods were carried at owner's risk, and as they were lost the company was not responsible. The matter of expropriation of railways having been dealt with very fully by preceding witnesses, I desire merely to convey to you that the feeling of the commercial community is entirely in accord with expro-

Produce rates on Netherlands Railway.

Maladministration of Netherlands Railway.

Expropriation of railway.

priation. The commercial community would hail with much satisfaction the nationalisation of the railway, and is strongly of opinion if the railway were under competent Government officers many of the complaints which have been justly made against the Netherlands Company would he done away with, and the railway could be in many ways of much more service to the community. To reduce the cost of living so as to enable a reduction of wages to be made, I would suggest that the whole of the special duties on foodstuffs now in force, and those held in abeyance by the Government, be abolished entirely. As an illustration, take a case of jam which costs in Europe 18s. 6d. It pays to the Government of this State 12s. special duty, and 1s. 7d. *ad valorem* duty. In 1896 jams and confectionery, weighing 1,278,130 lbs., valued at £26,393, were imported, and upon these items alone the special duty was £15,976 12s. 6d., and ordinary duties, £2,375. Thus there was £18,350 taxation in one year upon articles which from a regular portion of diet among the poorer portions of the community. Milk, which costs the same in Europe, bears no special duty, and is sold in Johannesburg at 28s. per case, whereas the price of jam is 42s. It is needless to give any further details on this point. The removal of special duties will invariably cause larger consumption. As an instance, during 1895, when special duties were on, pork was imported weighing 432,980 lbs., and valued at £17,015. In 1896, while the special duty was suspended, the import amounted to 1,529,310 lbs., valued at £51,943. As a further relief to the commercial community, I would suggest that the transfer duty on landed property be reduced. This, of course, will bear also on mining properties, and we think should be reduced. Regarding the Pass Law, much has been said before this Commission for and against this Law, and I may venture also to say that, in my opinion, the law is a good one in the main. But it requires amendment in some clauses. The clause which stipulates that a pass should be renewed on the first of every month is unworkable, and frequently causes innocent natives to be arrested and fined before their employers have had time to get a renewal of the pass. An instance came to my notice in which a van-driver was arrested on his master's van on the 1st April, at 11 o'clock in the morning. This arrest took place in spite of the fact that the man was in possession of his pass and badge for the month of March. It is acts such as these which make natives from other States afraid to come here in search of work, and when they come they demand higher wages to cover such risks. It would be a good thing if the passes could be taken for a longer period than one month. In Kimberley, where I formerly lived, it was possible to take out a native's pass for twelve months, all payments for that time being paid when the pass was taken out. A point which I have been asked to bring forward specially is that relating to sweepstakes and lotteries. We feel that the evil is growing so rapidly that something should be done to put a stop to it. It is reported to me on good authority that during the last race meeting over £100,000 was spent over these lotteries and sweepstakes. It is in the experience of many traders that they cannot obtain payment during the currency of these sweepstakes. We also feel it is a cause of dishonesty. An instance was brought to my notice this morning. I cannot say it is a positive fact, but I believe it is true that recently a youth took three tickets and paid for them in postage stamps. I think your recommendations might do something in that respect.

Special duties on foodstuffs.

Transfer duty on landed property.

The Pass Law.

Amendments required to Pass Law.

Sweepstakes and lotteries.

Mr. *de Beer*

Why was not the matter of sweepstakes referred to in the statement of the Chamber of Mines? Should it not have been referred to by the joint associations?—I can only explain its omission as being an oversight.

I have seen the crowd so large on race days that you could not get through

ommissioner Street, and I feel that the Commission is quite prepared to act in this atter.—We can, if the Commission desires it, bring further evidence on that point.

Do you mean by taxation that some of the duties are so high as to put the goods t of the reach of poor people?—Yes; to a certain extent, certainly. Import duties.

And if the duties should be reduced the poor people would be able to buy eaper?—Certainly.

Mr. *Smit.*

In the evidence before the Commission, it has been suggested to take the duty off e article and off another. Don't you think it is desirable to chuck the whole lot at ice?—No; I don't think so. You must let me explain. I think the Government venue is very large; it can stand reductions. But, in the case of some reductions, if e Government had possession of the railways, they would make them pay.

Mr. *Joubert.*

You consider the expropriation of the railway desirable?—Certainly. Expropriation of railway.

Supposing the company are prepared to make reductions—the main point is the uestion of reductions—that would also satisfy?—It might satisfy temporarily, but ot permanently.

But why not?—Because the Government can control it better.

What you are really asking for is reasonable reductions in everything. After hese have been made it really matters very little who is in management?—I think it atters a good deal. I might explain we are constantly hearing of incivility.

You see the Commission has to report; that is why they want to go into details the matter.—I quite understand the reason of the question. I would only say I ave frequently heard complaints of incivility and lack of attention, and these com-laints, in my own opinion, do not apply to the regular Government officials to the ame extent.

MR. KARE ROOD was the next witness called. He said: Mr. Kare Rood's evidence.

I want to give evidence with regard to the enormously high taxes levied by the anitary Board of Johannesburg. I have only a short declaration to make. I have t proofs to show that the charges come to about 20 per cent. of the revenue of ed property, which, of course, makes living in Johannesburg very expensive, and nsequently affects the mining industry. I hand in a number of receipts which speak r themselves. My place is bringing in a revenue of £4,000 a year, and taxation mes to £800. That includes taxes in general. Sanitary Board rates.

Mr. *de Beer.*

Do you consider the water rates as taxes?—I don't refer to the Sanitary Board one. I refer to all taxation on fixed property in Johannesburg. Taxation of fixed property in Johannesburg.

Do you also include stand licences?—Yes, but that is a very small part of the hole.

What are the stand licences per month?—I think it is 10s. per month.

Do you consider the stand licences too high?—No.

It is the only Government tax?—Yes. I gave £15,000 for my stands in the boom nes, and the Sanitary Board have assessed them now at £16,000.

Why do you not work in the matter?—If I were elected a member of the Sanitary ard I certainly would work in the matter. I have an agent, and he told me he is

not treated with ordinary courtesy when he goes to make objections. I consider the high taxation is one of the reasons which make living so very expensive. I also want to express my surprise that the people of Johannesburg always talk about other taxes and never refer to these.

Chairman.

That is not really a matter that comes within the province of the Commission. The authority of the Commission does not include a recommendation to mix themselves up in the local administration of Johannesburg. I always understood the matter to be entirely in the hands of the people of Johannesburg, and it is for them to look after their own interests. Unless the Government gives special instructions we cannot possibly go into this matter. We will go into the evidence and see if any of it comes within our scope.

Mr. Kock's evidence.

FRANS W. KOCK, chief of the Pass Department of Johannesburg, was then called. He handed in a statement, of which the following is a translation :—

The Pass Law.

I have the honour to state, with due respect, that I have read the different declarations with attention, dealing with the Pass Law, being Law No. 31, 1897, as given by the different witnesses before the hon. Commission. To make any remarks to that portion which reflects on my defective administration, I consider unnecessary, as comment would be superfluous; but still, the evidence of Mr. C. S. Goldmann on that point is worthy of consideration. That the Pass Law is an exceedingly good law for the control and regulation of the native labour on the goldfields in this State must be acknowledged; it requires, however, some modifications and improvements to make it better and more complete. And although most of the witnesses who were before the Commission, wished strongly to impress this upon the Commission, I have not yet learned that one of them has made a definite and practicable proposal how to effect these improvements, and I will now try to give your Commission an idea of what would be necessary for the proper administration of the Pass Law, and will thus place my report under two heads, namely—*(a)* Administration and *(b)* Amendments of the existing Pass Law.

Administration of Pass Law.

Pass Law good but requires amendment.

Administration of Pass Law.

(A). Administration.—I. According to a proclamation in the *Staats Courant*, the Witwatersrand goldfields were proclaimed in three divisions, namely—Johannesburg, Krugersdorp, and Boksburg. First under Law No. 23, 1895, and, later, under Law No. 31, 1896 (at present in force). In each of which divisions the Government appointed a staff of officials.

Proclamation of Johannesburg, Boksburg, and Krugersdorp districts.

II. Since the Pass Law Regulations were put into force, it appears that, in order to ensure good and efficient administration of the Pass Law, it is necessary, and of the greatest importance to the mining industry, that further appointments should b made under the Pass Law, namely—(1) a chief administrator, or head of the depar ment over the three labour districts on the Witwatersrand goldfields, and ov such other goldfields, public diggings, and private unproclaimed fields of this St as the President, from time to time, by virtue of Article 2, Law No. 31, 1896, n proclaim. Such chief administrator shall stand under and be responsible to Minister of Mines, and under such instructions and regulations as the Ministe Mines shall draw up and submit to the Government for approval; (2) a special commissioner for the Johannesburg labour area, where the circumstances are pec and such other labour areas where circumstances demand it; (3) a force of twen more mounted police, and as many for the other labour districts as may be necessary; (4) one chief warder, with six or more under-warders, for the Johanne labour district, and as many for the other districts as may be deemed necessary. appointments are *inter alia* necessary.

Appointment of chief administrator.

Duties of chief administrator.

Appointment of special pass commissioner.

Special police force instituted for districts under Pass Law.

(a). Chief administrator or head of the department, to conformably regulate the different Pass Offices under his jurisdiction, so that the Pass Law may be administered in the same way wherever proclaimed; for instance, it is administered in a different way in each of the present proclaimed areas, whereby the objects of the Pass Law become frustrated and useless. A head who would take an interest in the working of the department, and who would have the time and opportunity at his disposal to represent and lay before the Government the difficulties and requirements, in this respect, of the mining industry.

A chief administrator and identical administration in all districts under Pass Law necessary.

(b). A Pass Commissioner, who shall have the same jurisdiction and powers as a Criminal Landdrost, and who shall stand in direct connection with the pass offices, so as to expedite matters, to adjudicate upon all cases falling under the provisions of the Pass Law.

A pass commissioner with criminal jurisdiction necessary.

Attached to the pass offices must be a charge office, where natives who have transgressed the provisions of the law, especially arrested deserters, can be kept for about twelve hours, for identification by their employers, after which they could immediately be dealt with according to the law, or ordered back to their employers, as circumstances may demand.

Special charge office required for carrying out Pass Law.

(c). For the assistance of the pass issuer, and the detection of deserters, a complete staff of police is necessary; and

Special staff of police required for carrying out Pass Law.

(d). For the proper control of the charge office, and assistance to the pass issuer, a staff of warders, as above specified.

A staff of warders required.

The probable revenue from this office for the year 1897 will be £67,500, and about £15,000 in fines, while, if a staff, as suggested by me, were appointed, the expenditure would hardly be £15,000 per annum.

Estimated revenue of pass office.

Estimated expenditure of pass office through reorganisation.

(B). Modification of the present Pass Law.—Since Law No. 31, 1897, was put into force it appears that certain regulations thereof are incomplete, and to make it more practicable further amendments are necessary, namely:

Amendments necessary in Pass Law.

Art. 4. 2nd par., 4th line, to erase the words "without unreasonable delay," and insert therein, "within 4 days."

Article 4.

Art. 5 (*a*)., 7th line, to erase the words, "Irrespective whether the same be from within the Republic or from beyond the borders thereof," and to insert therein, "obtained in accordance with Art. 4 of Law No. 22, 1895, or Art. 11 of these regulations."

Article 5.

(*b*). To add a new sentence as follows:—"And the pass official shall destroy the travelling pass immediately after registration."

Art. 7. To add, "contraventions of this article shall be punishable with a fine of not less or higher than £3, or not more or less than three weeks' imprisonment with or without hard labour, or lashes not to exceed 25."

Article 7.

Art. 13. New par. to add the following. (*a*) "The pass issuer is empowered, in the event of registered natives going to work temporarily in another labour district, to issue a certificate granting leave that natives may be moved to another labour district on travelling passes; provided that their employer made proper application to the pass official, such certificate must mention the name and registered number of each native, the time for which it is granted (not to extend, however, beyond two months), what sort of work has to be executed, and the name of the employer. A copy of this certificate must be sent to the pass officials, for information, in the other district. Such natives must be provided with (*a*) a monthly pass of the district in which they are registered.

Article 13.

(*b*). When natives are transferred for good from the one labour area to another, or wish to leave in accordance with Art. 11 of these regulations, in order to work

there, their monthly passes shall remain in force for the new labour district, to the end of the current month, provided they are endorsed by the proper official.

Article 14. Art. 14 to read as follows: "Any native found in the labour district without the district pass of form 'A' and metal badge of that labour district, or without a travelling pass or any contravener under Art. 9, shall be punishable on conviction with a fine of not less or exceeding £5, or imprisonment for not less than six weeks or more than two months, with or without hard labour, or lashes not exceeding 25.

New par.—Any native sent by his employer, or who, with the consent of his employer, wishes to go anywhere within the labour district wherein he is residing, must be provided by his employer with a special permit, describing the circumstances of his mission, the date of issue, and period for which the permit is granted, but in no case shall such a permit be granted for longer than three consecutive days.

Any native found in the labour district without this permit shall be punishable in accordance with the punishment as laid down in the above-mentioned article.

Article 16. Art. 16, 15th line, after the figure £5, to insert the word "or."

Article 18. Art. 18 to be replaced by the following—"Any native leaving one labour district for another, not provided with the proper travelling pass of form 'C,' shall, when arrested, be immediately handed over for punishment to the authorities in the labour district from where he came in the first instance; and, in the event of having deserted, after punishment to be sent back to his employer. Contraventions of this article shall be punishable in accordance with the punishment as laid down in Art. 14 of these regulations."

Article 18A. Art. 18A. It shall not be lawful for any native within a labour area to be a master of natives. Punishment for transgression of this article to be in accordance with the punishment as laid down in Art. 14 of these regulations.

Second Art. 18 to be altered to Art. 19.

Article 21. Art. 21. To add a new par. to Art. 21, as follows:—"Whenever a native is hired by the week or month, either the native or employer shall be held to give one another one week or one month's notice. In all other cases, if the engagement is for a longer period, one month's notice shall be required. In case of misbehaviour or dereliction of duty on the part of the native, the master shall not be obliged to give this notice if he wishes to discharge the native."

Article 22. Art. 22 *(a)*, first line, to insert after the word "employer," the following: "agent, mediator *(bemiddelaar)*, or person."

Article 23. Art. 23. To add a new par.—"The district passes of all deserted natives shall be sent in, together with the returns of form 'E,' to the pass official, and a note shall be made in the registers kept in the Pass Office of such desertions, and the district passes destroyed."

Article 27. Art. 27, fifth line, to insert after the words "labour inspector," the following:—"Clerks, police, warders, and other subordinate officials under the jurisdiction of the pass issuer.

Article 32. Art. 32. To add a new par.:—"The Sanitary Board shall not issue any travelling ('togt') or other licence to natives unless permission first be granted by the pass issuer."

Article 32A. New Art. 32A. All contraventions committed by natives, against which no provision for punishment is made in this law, shall be punishable by a fine not exceeding £3, or imprisonment not exceeding three weeks, with or without hard labour or lashes; and contraventions committed by whites shall be punishable in the same manner, with the exception of lashes.

The whole object of the Pass Law is the control and regulation of native labour on the goldfields, and if the desertion of natives can be prevented, the mining

industry would be fostered, and the object of the law attained. Should the above suggested proposals therefore be approved of and accepted, I have no doubt that this would to a large extent be the result, and with some further modifications the Pass Law might be made to operate throughout the entire Republic, so that this control and regulation will be exercised not only over the natives on the various goldfields, but also over those going to and from them, and over all of those in the Republic. It is, of course, well known to me that large numbers of natives desert from the mines, and also that not many of them are again brought back to their employers; I do not, however, admit, as several of the witnesses stated before the Commission, that *no* deserted natives have been arrested and returned to the mines. Besides, it is by no means certain that natives deserting are not punished, as no native can obtain a travelling pass, district pass, or badge, or be re-registered unless he has complied with the one or other regulation of the Pass Law. It thus speaks for itself that, perhaps with a few exceptions, deserting natives are punished. It has to be acknowledged that when a native throws away his passes and badge, he cannot again easily be identified by any of the pass officials, and I challenge anyone to describe a native, and register him in such a way that he would be able to identify him without the aid of his passes and badge, out of 60,000 other natives.

Control of natives on gold fields and throughout the Republic obtainable.

Desertion.

Some deserters arrested.

Identification of deserters difficult.

This is the case with every native registered, but should they still be in possession of any of their passes or badge, identification becomes easy enough. Identification would, therefore, be easier by the officials of the different mines, and in order to meet this I have suggested a charge office, with a large yard, where all natives arrested could be kept for a certain time to ensure identification by their employers.

Means for identification of deserters.

According to my opinion, the question is not so much the detection and apprehension of deserters, but the prevention of desertion. Prevention is always better than cure, and this may be accomplished only by taking away the inducement to desert, which may be done in two ways:—

Means for preventing desertion.

(1) By mine managers and other employers of natives; that is, by acting strictly in conformity with the provisions of the law by not engaging deserted natives and those who have not fulfilled the requirements of the Pass Law, such as was and is the case at the present day.

It is unreasonable to expect that the Pass Law can be carried out with proper effect if only a small portion of the public act up to it.

(2) By making the punishment for desertion so severe that no native will venture to leave his employer illegally, and for this offence I have accordingly suggested a punishment to meet the case.

Finally, I may state that I am the first Pass Issuer appointed under the Pass Law, and the above remarks and suggestions have been made from facts gained by experience, and I believe I have had a better opportunity than anyone else to become thoroughly acquainted with the different requirements and discrepancies of the Law, and that I am therefore in a position to give a sound opinion on the matter; being at all times willing to give any further information or explanation.

If these proposals were adopted it would be greatly in the interest of the mining industry. I thought the mines had approached the Government themselves regarding the faulty working of the Pass Law, and being under that impression I waited the outcome before carrying out my intention of approaching the Government personally on the matter. There was a meeting of mine managers called, and before it was held some of the managers called on me for an expression of my views. I agreed, and they then asked for my views in writing. I complied, and the document is still in the hands of Mr. De Roos and Mr. Johns. The managers then

Administration of Pass Law.

asked me if I was willing to submit my statement to the Government if they agreed to the provisions, and I said I was quite prepared to go to Pretoria and explain the matter to the head of the Mines Department. Nothing, however, came of that. Subsequently I saw in the paper that the mines were taking up quite a different proposal to the one I had submitted, and that is the reason why I have delayed placing the matter before the Government. I got no report from the managers what their opinion was, although the mine managers were going to petition the Government. I cannot quite see if the law were altered that it would interfere with the administration of the three departments—Judicial, Minister of Mines, and Native—and my suggestion is that the head of the Pass Department would still be under the Minister of Mines.

Re-organisation of pass office.

Mr. Joubert observed that if the law was altered as proposed it would create a new department of administration.

Witness said there would be another landdrost, and he would sit on these special cases. Continuing, he said : What I want to see is one head regulating equally the work on these fields.

Mr. *Hay.*

The proposal regarding the appointment of a special judicial officer practically means another landdrost?—It would only be a special department for a special judgment.

He would be dealing with the Native Department?—Yes. Government must appoint a third or fourth landdrost whose work is to deal with the Pass Law.

Mastership of natives.

There is one clause, or a suggested new article, referring to the question that no native is to be a master of natives. Don't you think that in laying down a hard and fast rule of that kind the law would work very awkwardly sometimes?—There is a correspondence pending on the point. I formally proposed to the Superintendent of Natives, that if special free passes were asked for, the applicants should be registered. But a Volksraad resolution has been taken, and it now happens that natives, except in the case of missionaries, ask for free passes, and then they lure a lot of natives. The Pass Law says every native must have a master, and that is the reason why I make this proposal regarding native masters. As an alternative I have asked for a limit to place on the number of kaffirs a native can hire.

Would it not be wiser to include in this law a provision that in the case of a "native" man hiring natives that he has the authority of the head of the pass administration.—It is a difficult question.

These pass regulations, as drawn up, apply particularly to kaffirs?—Yes.

Cape boys and bastards.

Then the difficulty arises with the people known as Cape boys and bastards.—That is the reason I made the proposals, in order to give the Government an opportunity of drawing the line.

Don't you think it would be better to separate the two classes of people altogether—that is, make a distinction between the native who works on the mine and what is known as a bastard?—I think it would be difficult to draw the line. You cannot make two laws, and the same law must apply to all natives, just as the same law applies to all whites.

But you have got the question of white people, you have got the mixed breed, and you have got the pure kaffir. Don't you think it would be better to make a regulation to enable this middle class people to register, and give them a certificate for a year?—My recommendation to the Superintendent of Natives was that the line

could be drawn between kaffirs and those who depended on themselves for a livelihood, and that they should pay a different tax.

Yes. As illustrating the difficulty, I will give you a case which happened to myself. I have a man in my employ and he is very dark, but his father is an Englishman, who is married to a woman who is descended from a St. Helena woman and a white man. Out of nine children this man is the dark one; all the others are white. —Was the case before the court?

Yes.—And the Landdrost gave judgment?

Yes. I am not finding fault, as originally I made the man take out a pass. But would it not simplify the law very much if these people were made to pay a separate charge—a reasonable amount, and give them licences.—That is being dealt with at the present moment.

Suggestions for Mine Managers Association.

There are some of these amendments which, if I may suggest it, I should like to hand to the mine managers. I think if the amendments were put before the Mine Managers' Committee, asking them to send a reply in writing whether they approved or disapproved of these alterations, that could be handed to Mr. Kock for his consideration. I understand Mr. Kock to say in his report that the pass regulations taken as a whole are good, and that the fault of the law not being properly administered is mainly because of the pass office having been undermanned.—The law is a good one, although several articles require modification.

Replying to the Chairman, witness said the registration of kaffirs was good enough at the present moment. One of the objects of his suggestion regarding hiring natives was that nobody should be able to hire kaffirs who were not in possession of district passes, and he hoped that would stop desertion to a great extent.

Mr. Fyffe's evidence.

MR. ALEXANDER BUCHAN FYFFE was called, and being duly sworn in, said that he wished to give evidence on the working man's wages on the Rand. He said:

White wages.

Mr. Chairman and gentlemen, in the first place allow me to apologise for not being present this morning when I was first called. I only knew yesterday that I had to appear before the Commission this morning, and I was in the Orange Free State. I then left by the first possible train last night, and arrived here this morning. I have to thank you, on behalf of the working men of the Rand, for allowing me to give in a statement with regard to the working man's wages on the Rand. In the first place, I wish to point out that the wages of white men generally, working on the Witwatersrand goldfields, are none too high, considering the cost of living. That has been amply proved by those who have already appeared before the Commission—by Mr. George Albu and Mr. Fitzpatrick. Let me say that the average wage of a carpenter, the trade to which I belong, is £1 per day. On the average that comes to about £27 per month, and the expenses are made up in much the following fashion:—Food comes to £6 per month at a mine boarding house. Some of the mines again charge 10s. per month for a room. Then you have to provide for your wife and family, who are generally not provided with a house on the property on which you work. That house rent in the district of Krugersdorp, costs at least £7 per month. Then you have to provide food for your wife and family, and this costs about £7 per month, and that leaves you with about £6 with which to buy clothing and to educate your children, and to make provision for a rainy day, doctor's fees, and such little odds and ends as clothing for yourself, and tobacco, and some little enjoyment. Most of us now present on the Rand left our homes in Britain and America because of the view put before us by the capitalists that wages were high on the Rand, and the cost of living not exorbitant. We left our comfortable homes and the pleasures of life,

and we came out here in the hope of making a little money, and at some future date of going home to see our friends and the place of our childhood. Now, I hold that a living wage is what a working married man can live on in peace and comfort. According to the evidence given you by Mr. Barrow, you will see that the working man, unless he gets a house provided on the mine on which he works, cannot keep a wife and family in this country out of the wage he at present receives, because, gentlemen, the majority of men in this country are not carpenters but are miners, and their wages do not rise as high as £27, but who have, gentlemen, on an average, £20 per month.

White wages and mine officials' and directors' salaries.

Now, sir, in estimating the cost of white labour on these fields, all divisions of white labour, from the general manager downwards to the lowest working man on the mine, have been thrown into one lump sum, and this has been taken as the average expenses of white labour on these mines. No witness as yet examined has stated in detail how these wages are paid. I would suggest that the Commission have a public auditor appointed to enquire into the various items which figure as white labour on these mines. Gentlemen, it is unfair to saddle the working man with the entire cost of working these mines. I should suggest that a statement be got from the leading companies giving in detail the following:—The London and Johannesburg directors' fees, the London and Johannesburg secretaries' fees, then the consulting engineer's salary, the general manager's salary, the mine secretary's salary, the total clerical staff's salaries. Put these down and get the cost per ton, and in another column get the cost of the qualified working man's wages. In regard to the question of rent, I see that

Rents of miners' quarters.

some companies adopt a very unjust line. Take the following instance: a company puts up 12 single men's rooms on their property. This costs at the outside £800. They charge you on an average £1 per room per month; therefore they draw from these 12 rooms the sum of £144 per annum, and the return on their outlay of £800 is about 16 per cent. Now, gentlemen, if the mine directors and the mine manager grumble about the extortionate charges of the Netherlands Railway, they ought also, in the first instance, to make their own house clean, so that if we have to pay rent for rooms let it be a fair return on their outlay. Let me here state that all mines do not charge for rooms; some mines provide good married men's houses, and also good single men's quarters, without charging anything for them from employees. Again, I wish to point out another item on which the Commission ought to get some information from mine managers and directors. If I am rightly informed, the cost of dynamite is

Cost of gelatine and fuse to contract work men.

about £4 5s. per case. How does it come about that on certain mines they charge men who are working under contract from £5 10s. to as high as £6 per case. I saw this from the bill of a contractor on the Randfontein Estates for 25 cases of gelatine. I think, according to the statement of the manager of the Crown Reef, that gelatine costs £5 2s. 6d., while Mr. J. B. Robinson charges £6 for a case of gelatine. How do they charge so much more to contractors than the actual cost of the article. Take another item, perhaps small in its way, but still important, namely, fuse. That costs, at the very outside, in Johannesburg, 5d. per coil. In Randfontein, contractors are charged 6d. per coil. Now, Mr. Chairman and gentlemen, I wish to point out another thing which has a very important bearing on the wages of working men on these mines.

Comfort of miners on mines.

In the first place, on many mines—I don't say on all mines, of course there are exceptions—there is simply no provision made for enjoyment or pleasure of any kind for employees. A man is supposed to rise in the morning, take his breakfast and go to work; work till dinner time, take his dinner, and go to work again till tea time, and then there is nothing left for him to do but to go to his room—which, in some cases is hardly fit for a kaffir—to spend the rest of the evening. We have no enjoyment whatever, and I hold that unless you can make the lives of the employees of the mines happy and comfortable, the best men at present working in the country will find it

does not pay to work here, and will go home to their own country, where they can enjoy life, and have the pleasures and comforts of a home life. Another point I wish to bring before the Commission is the question of dismissing men on short notice. When a man comes to a mine and gets work, he is told first of all to go down to the office and sign an agreement, whereby he gives or takes 24 hours' notice. Now, gentlemen, this is not optional, because they don't compel you in the strict sense of the word to sign this document; you are compelled by the exigencies of the case to do so. If you don't do so, you are not employed. Another thing which the working men on the mines are much against is this compulsory signing of an insurance coupon. The man when received on to a mine must agree to take a stipulated sum in the case of receiving an accident on that mine when in the company's employ. The outside limit on the mines I have worked on is £300. Now, gentlemen, I claim if a man, through the culpability of a manager or the officials of a mine, in which he is working, sustains an injury whereby he is disabled for life, he is entitled to a little more than £300. I would urge the Commission to approach the Government with a view to introducing an amendment to those two items in regard to employment on the mines. I consider in this country we ought to have an Employers' Liability Bill, framed on somewhat similar lines as the Employers' Liability Bill in Great Britain, whereby an employee is not allowed to contract himself out of the benefits of the Employers' Liability Bill. At Home if a man sustains injury when in the employment of the company, although he has signed an agreement that he will take a certain sum, he has the right to sue that company for not providing sufficient means for safe working on that company's property. As I said at the commencement, gentlemen, the living wage I laid down as an irrefutable maxim, is what a married man can exist upon. Now everyone agrees that unless there is a home life in a country, that country has not the elements of success and stability in it. Is there any inducement in this country at the present moment for a man to settle down and make it his home? You want to make the conditions of life here pleasant enough to induce married men to settle instead of coming here for a few years and going back again. Some talk has been going on about the mines closing down in the event of no reduction being made in the burdens resting on the industry, namely, the cost of labour and dynamite. I wish to point out that if the Government allow the mines to close down they are exposing themselves to a great and grave danger. If the mines are closed down a large number of men will be thrown out of work. These have not enough money to take them out of the country, and they will be compelled to live in the country, although starving. Unrest will ensue, and the consequences will be that the Government of this country will be in danger. This is no fanciful picture, gentlemen, and I would like to point out that in Australia, in the Victorian Colony, when the managers closed down the mines, and threw a large number of men out of employment, the Government of the country stepped in and gave them a fortnight's notice to open the mines, with the option of having them confiscated. Now, I don't know that I have much more to say, because I have not been able to place before you the written statement which I had prepared, and I have had to speak entirely from memory, and I hope the Commission will excuse my disjointed remarks. I shall be pleased to give any further information. I would again impress upon the Government the necessity for making the life in the country such, that married men can settle down and become citizens of the country. If you want to make this a healthy, happy, prosperous country, you have got to keep up the standard rate of wage, and induce the best men to come here, because in the long run it will come to this—that good men will not come here, and the rag-tag and

Dismissal of miners.

Miners' insurances.

Employers' liability.

Dangers of closing down mines.

bobtail will; and even the companies will be the losers by their policy. As the poet Burns said:—

> Go make a happy fireside clime for weans and wife
> Is the true pathos and sublime of human life.

That is all I have to say, and I have only to thank the Commission for having so patiently listened to my rambling remarks.

Mr. *Smit.*

Have you been employed by one of the mines?—Yes, on the Violet Consolidated, Krugersdorp.

To whom did that mine belong?—Mr. J. F. Henderson, I think, is the principal shareholder.

What salary did you get there?—£1 per day. We were paid monthly, but we are liable to dismissal at 24 hours' notice.

Mine officials' salaries.

You say that the average of white labour is calculated on the basis of lumping together all the big salaries and the workmen's salaries, and then the average is struck. I quite agree that the men getting the smaller wages must suffer; can you give an instance of any big salary paid to officials?—I cannot give information because I have not seen the books. The report is that the manager on the mine I was working on received £2,000 per year, and one of the witnesses before the Commission stated there were instances of mine managers receiving as high as £3,000 a year.

Dismissal of miners.

You say that the Government must adopt such means as to make it a good place to live for married people; what do you mean by that?—I mean that the Government should interfere in the instance I have mentioned. A man being dismissed at 24 hours' notice, where he is paid monthly, is putting the men in a wrong position, because it places him at the mercy of the company, and I would ask the Commission, and through them the Government, to make a regulation that if a man is paid monthly he should get a month's notice. I may say that the kaffirs on these fields receive a month's notice, and the white workmen on the Randfontein Estates, when the reduction took place, only got three hours' notice. The Government can put the white workmen on the same basis as the kaffirs, and give them at least a month's notice.

You are entitled to a month's notice unless you make a special contract by which you bind yourself voluntarily to accept 24 hours, and how can the Government step in?—If you don't take work on these conditions, you won't get work at all. It is impossible for a man to refuse, because if he does he is turned adrift. There is no union amongst the men sufficiently strong yet to take up the case of the men.

A good living wage.

Supposing the mine managers and the directors think that the wages must come down, how could the Government meet you there?—The only way to make it possible to live here is by giving the men a good living wage. Most of the witnesses, including Mr. Albu and Mr. Johns, stated that the wages of white labour cannot be reduced under present conditions. It is absurd for the companies to throw the whole blame of the mines not paying at the door of the Government and at the door of the white men's wages. There are mines on the Rand which will never pay even though the cost is reduced to 15s. per ton.

Cost of living of white miners reducible by Government action.

Supposing the Government improve the conditions, and the mining men will not pay you good wages, how can the Government help you?—Well, for one thing, they can reduce the cost of living materially, and bring it down to the same level as in the Cape Colony, where a man can live for at least £1 2s. 6d. per week.

The expenses of living cannot be the same here as in the Cape Colony, as, for instance, grain has to be brought by transport 1,200 miles?—What is to hinder this country producing all the grain it requires?

Mr. *Hugo.*

Witness.] I came to Johannesburg in November, 1895. I was employed at the Randfontein Mines, not directly but through a contractor.

Reduction of white wages on Randfontein mines.

There has been some agitation there recently in connection with the reduction of wages?—Yes.

You took a rather active part in it?—Yes.

What has been the result of the reduction?—Well, the effect of the reduction has been something like this: Mr. Robinson threatened to reduce wages of carpenters from £1 to 16s. 8d. per day. The men refused to work, and the company has been compelled to get the whole or at least the bulk of the carpentering work done by contract. The contractor got most of the men who were formerly working on the Randfontein Estates, and he gives them £1 2s. 6d. for nine hours, and Mr. J. B. Robinson was only going to give 16s. 8d. for 10 hours.

Are any of the men going back to the Randfontein Mines to work who left on account of the reduction of wages?—I left Randfontein on Saturday, and up to that time no carpenters had gone back to work. A drill sharpener took work by contract, and instead of earning 18s. 4d. per day as proposed, he earned £1 7s. 6d. That is the testimony of some of the men at present working by contract.

Have you any experience on other fields?—No.

You think the life of white workmen in this country is not very favourable?—No.

Sweepstakes.

Is it not a fact that they are able to participate very liberally in subscription lists and sweepstakes?—I cannot say that they have gone in for sweepstakes; I have not been able to go in for sweepstakes myself. I was seven months on the Violet, and no subscriptions were got up during that time. I worked till March, 1896, and then I took typhoid fever. I was off for sixteen weeks, and that sickness cost me at least £200—over £100 in expenses. I am also counting the money I would have received had I been working. It takes all my money to pay my current expenses.

Rents of miners' quarters.

You appear to make a strong point of the fact that companies invest £800 in building rooms, and charge £1 per month; is it not a fact that buildings of that description depreciate very considerably?—I think the charge is exorbitant. If a building is properly put up it lasts as long again as a mine.

Cost of gelatine to contract workmen.

Do I understand that the Robinson group charge contractors £6 for blasting gelatine?—I saw the account of one man who came out on strike; he was not affected by the reduction of workmen's wages, and he was charged for 25 cases of gelatine, £150.

You say the price of gelatine delivered at the mine is £5 2s. 6d. I think that is a mistake; the charge is about £5 9s. 6d.?—I might have made a mistake. They sell to contractors, and pay no licence for stores at all.

Mr. *Hay.*

Rents of miners quarters.

In your statement, where you calculate how much miners receive, and then how much they pay out, you made a statement there that they sometimes paid a rent of 10s. per month for a room?—I made the statement that single men paid 10s. on some properties, and that married men, in the majority of cases, cannot get rooms on the mines

Subsequently you went into a calculation, and said that on some mines they charged unfairly. You calculated that a charge of £1 per room per month, on an outlay of £800, would return 16 per cent.—Yes; but you are forgetting the fact that in single men's quarters on the mines there are always two occupants in a room, and they have to pay 10s. each.

Do you think the charge for a room is universal on the mines?—No, I don't say so; but there are mines that do.

Practically you don't know anything at all about it, except the mines you have been on?—I may say that on the mine I was on I was not charged.

Practically it is only what you have heard. You can only answer for some mines?—Yes; but why should it be on some mines?

Uniform rate on mines for white wages.

But you would not expect people to be paid at the same rate on every mine? Is that what you are arguing, and, irrespective whether a man is competent or a mere "botch," he should be paid at the same rate?—I argue that the same rate should obtain on the East Rand as on the West Rand.

Your argument is that every man who is a carpenter, wherever he lives—whether at Modderfontein or Randfontein—should get exactly the same rate always, competent or not.—No, decidedly not. If a man is incompetent he should be kicked off the property, but I hold that a competent man deserves £1 per day.

White wages.

The question is whether a mine can pay or not. It appears that a man must be paid £1 per day. Now, if a mine cannot afford to pay £1 a day, what are the managers to do?—Well, they should approach the Government and try to get such concessions as to make the mines not paying, pay, Speaking for myself and the rest of the working men, if the cost of living be reduced they will be quite prepared to take a good deal less than £1 per day.

You recommend, or warn the Government in a way, that the mines will be closed down?—Yes.

Supposing a mine does not pay to work then, what is to become of that mine? Is it to be closed down or go on?—I hardly follow you.

Supposing there is a mine which does not pay to work—and you have said there are mines on this Rand which will never pay—then what do you propose to do; is that mine to be closed down or go on?—Well, if it is proved that nothing will make that mine pay they must close it down. But there are plenty of mines which were paying which will be shut down, I suppose, if the white man's wages are not reduced and concessions are not granted the industry by the Government. If the Government does this these mines will be compelled to keep open.

What authority have you for making the statement that mines will be closed down if the concessions are not granted by this Commission?—If you judge from the companies which have shut down which were paying, you can easily see that other companies will follow suit.

Closing down of North Randfontein.

Will you name a company that has closed down which paid to work?—The North Randfontein was paying, and it closed down for several months.

Why was it closed down?—I don't know what reason it had for closing down. It had a good output, and it was closed for several months; and Mr. J. B. Robinson said that, if he did not get white labour reduced to the rate he wanted, he would close down Porges Randfontein, which is a paying mine.

Then you mean to say Mr. Robinson made that statement?—Yes. I mean to say that Mr. Robinson made a statement to the effect that if he could not get white labour reduced, and other concessions, he would close down the Porges mine.

The North Randfontein was re-started again?—It stood about a fortnight during the lock-out; now, I believe, it is at work again.

Therefore, as far as you know, the closing down of the mine may have been for some very good reason ?—It may have been.

Is it not a fact that the mine was closed down because the natives were drunk, and that no native labour could be got ?—No; I don't think so. I will give you an instance. I was speaking to an official of Block A, which is presently to be closed down, and he told me that on that mine they never had any scarcity of boys, even when the difficulty of getting native labour was at its worst; and the common belief is that Block A was closed down because there was no reef there.

That was inevitable if there was no reef there ?—No; and I don't think capitalists will float mines unless the reef is there, and then saddle the Government and the working man with the blame if these mines are not paying.

Cost of gelatine

You refer to the question of blasting gelatine. The price at the factory at Modderfontein is £5 7s. 6d. per case, and it costs practically 2s. 6d. to bring it to Johannesburg. That would bring it up to £5 10s., and to that there is the carriage to Randfontein.—I can produce evidence in confirmation of what I have stated regarding the price dynamite was sold at to a contractor.

Miners' insurances.

You seem to complain because the companies insure men's lives against accident. —It is a grievance to me that a man is compelled to insure, and if he is injured he gets less than he would in a court of law.

If a man works on a property, and the injury he receives is the result of his own carelessness, he has no claim on his employer. Is that a fact or not ?—Yes, that is a fact.

Not only here, but elsewhere, the same conditions exist ?—Not only here, but all over the world.

If I employ a man to work for me, and he sustains an injury through his own fault, am I liable for that or not ?—In a court of law you are not.

You say that £300 is the limit of compensation a company pays in the case of total disablement ?—I am speaking from the agreement I signed myself. The agreement on the mines here is that, if a man is killed, the company pays a year's wages, with the limit of £500. That is, those who earn more than £500 are limited to £500. That is the universal custom on these fields. On the mine on which I worked, if a man were totally disabled he got a year's pay.

With the limit of £300 ?—I did not say the limit was £300.

Yes, you did.—I don't know whether he was alluding to the secretary or not.

It is a year's pay with the limit of £300 ?—Is there a working man in any branch of trade getting more than £300 ?

Yes, there is. I am speaking from knowledge. I know that during last year we have paid a lot in compensation.—Do you hold that £300 is sufficient for a man totally disabled ?

Most of the accidents which occur are the men's fault.—I don't say that, because at least nine-tenths of the accidents on these mines are the fault of the company, as far as my experience goes.

These things were talked over long before you came into this country, and the conditions have been considered fair and equitable.—I don't think so. I know the case of a man with a broken arm who has lost more than the company have paid him.

How much do you think a man ought to get ? You ask the Government to step in and help you. What sum do you think the Government ought to fix ?—I think it would be presumptuous for me to fix a sum for the Government. It ought to be left to a court of law to settle, and I am quite confident that the working man would get more than he receives in compensation.

Do you think it would be best to give one, two, or ten years' wages?—I don't think I should express anything of the kind; that ought to be left to a court of law.

The question is do you think that £300 is too small. What do you think would be fair?—I don't think it would be a fair question to ask at all.

When you say the amount is too small, the question is a fair one.—At home, if a man is injured, he can go to the law courts. He can't contract out of the benefits of the Employers' Liability Bill.

Mine officials' salaries.

You say in the first part that you think many managers' salaries are too high. You think a man with £2,000 a year is overpaid?—In some cases I think he is. I don't consider any man on these fields, whatever is his experience, is worth £3,000 a year.

Still you think a man ought to get more in this country than in Europe?—Yes.

In the same way you would get here £1 a day; how much did you get in Europe?—When I was in Glasgow I was in receipt of £1 18s. 6d. a week.

Then you get in this country three times as much as you got in Glasgow?—You have to bear in mind that a manager's salary is not only two or three thousand pounds; he has, in many instances, a carriage and pair, servants, coal and light. All these perquisites count up to about £1,000 a year. A working man only gets his bare £6 a week.

A man with a manager's appointment is supposed to be a man who has been well trained?—I have undergone a training also, and have have had as much training as any man here. The fact remains that there has been no attempt to reduce these officials' salaries; it is always the working man. In Mr. J. B. Robinson's circular there was nothing about reducing the consulting engineer's salary, or the manager's salary.

Chairman.

Miners' insurance.

What premium have you to pay for insurance; or do the mines pay it?—On some mines you pay it, and and on some mines you don't pay anything. I did not pay anything on the Violet for insuring my life. If it had been optional I would not have insured my life, but I was compelled to sign the agreements of 24 hours' notice and insurance, or lose the prospect of work, which is none too plentiful at the present time. On some mines I believe they do pay a small sum per month for insurance, doctor's fees, and other things of that description.

Mr. *Hay.*

The insurance is not mixed up with the doctors' fees; they are quite different.

Chairman.

Your objection is that there is an obligation to sign these agreements?—It is practically compulsory, because, if he does not sign, he would not get a job on the mines.

What premium have you to pay in the accident companies for £300?—I cannot say as to this country at all. I was insured for £300 at home, and my premium was £2 5s. a year. That was against accident.

You object, because, having signed that agreement, you have no action against the company?—Yes, you have to accept a sum, in most cases, totally inadequate to the injuries received.

Comparative wages and cost of living in Scotland and on the Rand.

Now, as regard wages. Here wages are £1 a day, in Scotland £1 18s. 6d. per week. Now, what is the comparison between the two countries in the matter of wages and the cost of living?—Well, my board and lodging, mending, washing, and ironing in Glasgow came to 13s. per week. That included a comfortable room, well furnished,

in addition. Washing and mending comes to a pretty sum here when they charge 4s. per dozen articles. Plenty of men live in Glasgow and other parts of Scotland as low as 8s. per week. Here in Johannesburg if you work, as I did, in town, they charge £6 and £7 per month for food; £3 per month for your room. My washing bill came to about 10s. per month on an average. Clothes cost three times as much as they do at home, and the quality is very much lower; and boots last about a third of the time they do at home, and cost about twice as much.

Reduction of white wages.

So you agree with the mine managers that it is impossible to reduce white labour at present?—Under present conditions it is impossible. If the cost of living is reduced to a reasonable rate, there is no workman who would not be willing to accept a good reduction in wages, and be prepared to accept 16s. per day if the cost of living was proportionately reduced. We have no desire to keep up the £1 per day for good, bad, and indifferent men, but so long as living continues as high as at present, it is absolutely impossible for a workman to live in a decent manner under £1 per day.

What is the object of your evidence?—I may say that I was appointed by the newly-formed Mineworkers' Union, which takes in all branches of employment on the mines—miners, carpenters, blacksmiths, drill-sharpeners, handy men, and all others—to represent before this Commission the fact that wages could not be reduced from current rates unless living was proportionately reduced. I am not representing myself alone, and I have no desire to come here, as I am losing time. I was asked by this union to appear before you and give their views on these questions of wages and cost of living.

Comparative amounts of mine officials' salaries and white wages.

You said we must try and get a statement from the different mine managers showing the salaries and wages paid from the highest to the lowest?—Why should not mine companies be compelled to properly audit their books to show exactly how the money is spent.

The average given us of the percentage of cost of white labour ranges between £23 and £28 per month. Now, if we were to get the wages of all, that average would be reduced?—Most decidedly it would be. A mine manager drawing £3,000 per annum would pay, and will pay, the salaries of a good many workmen. One of the witnesses examined before the Commission would lead the public to believe that the working men were getting the vast bulk of that percentage. I hold that a very large proportion of it goes in salaries, of which there is no mention of reducing at all. I don't mean to say that mine managers' salaries should be reduced, because, as a mine manager said to me, "If my salary is reduced, yours will have to come down also." What we want is a living wage for ourselves. That is what we are fighting for, and we will allow the mine managers to look after themselves. I don't care if a mine manager gets £3,000 a year, so long—

Contract work and time wage.

Do I understand that, with reference to the closing down of these mines of Mr. Robinson's, that after the work had been stopped through the proposal to reduce wages, the work was given out to contract?—Yes, on Porges Randfontein; where they are putting up large workshops, and the work was practically begun, the foundations having been laid, and it was intended to be completed by the company. This has been let out to a contractor who is employing a good few of the men who were locked out, at the rate of 22s. 6d. per day.

So you think that at the present moment the work will cost more than it would have done at the original rate of wages?—Of course it will cost more, as far as I can see. The contractor will do the work quicker no doubt, but it will cost more than if the wages had not been reduced below £1 per day.

Mr. *Smit.*

Miners' insurances.

You say you did not pay your accident insurance?—I did not pay it on the Violet.

Why are you against it?—Because I am compelled to receive a lower sum than I would receive if I put it before a Court of law.

The contract you sign there prevents your going to a Court in case of accident?—Yes.

It does not prevent further insurance of your life?—Certainly not; it does not control your private actions.

Mr. *Brakhan.*

White wages.

You stated that the wages of miners are inferior to those of carpenters, and you give us a figure of £20 per month. Isn't it a fact that a competent miner earns £40, £50, and even more per month?—I don't know what the average wage is per month for miners. I know that the wages on the Randfontein Estates were reduced to £4 10s. per week.

You speak of Randfontein Estates. Why don't you speak of the Rand generally. I know for a fact, and it has been stated before the Commission, that the average wage is considerably more than £20 per month?—I quite agree that where a man is working by contract he can earn more than £20 per month; but the fact remains that where a man is not working by contract, and I take it the majority of miners don't work by contract, their wages are not above £20 per month.

Is it not a fact that most miners prefer to work by contract than by the day? I speak of mining in the mine, not surface work?—There are some parts of work that cannot be let out by contract. A stope cannot be let by contract, and the stoper is paid 8s. 6d. per day.

I know one mine which does not work by contract, and the average pay of miners last month was somewhat over £29. Some did better, some worse, on account of working better?—Yes; you have got a number of these men who get big pay, who work on Saturdays and Sundays.

Sunday work on mines.

Do you mean to say there is any work done on Sundays?—Most certainly.

On the mine to which I refer there was no work on Sundays except in the milling. Therefore, it shows clearly that a competent workman is able to earn a very good wage on the Rand, and that those who don't earn such good money are not such good men, and are not taken on by the contractors. I don't say in all cases, but in a good many.—I have seen it stated in the papers that on one of the mines, contractors, after the beginning of June, would not be allowed to make more than £26 per month. I know plenty of mines where there are no contracts given out. If I were allowed overtime I could make considerably more than £1 per day.

Overtime.

Experience is not in favour of overtime, as it is found that work is done during overtime in three hours which takes four hours by day work?—That is the fault of the foreman.

It is to be regretted that intelligent men have to be watched?—If any of the companies had men of the class referred to they ought to be put off the mines, as there are plenty of men to do a fair day's work for a fair day's wage.

White wages.

The point is this: a competent miner is not confined to £20, his pay, in most cases, averages much more. There may be some who only get £15 per month, but companies would be much more ready to pay them £30 by contract if good work is done, than pay at a smaller rate and yet be to the good. There is no endeavour here to cut down miners' wages if they do good work. It is not correct to say that the

wage of miners is £20 per month.—I hold it is not above £20. It has not been proved before this Commission or anywhere else. The average of any mine should not be taken, you should take the average for the whole Rand.

Some men are earning nearly £100 per month?—Yes, I saw where the manager of the Simmer and Jack gave £140, but you must point out the opposite at Randfontein. How many men at the Simmer and Jack get £140 per month?

Rand labour touts in England.

There is one statement you made that capitalists had told the workmen that high wages were earned on the Rand; can you gave any names?—That is a general statement. What I mean is that there are men going round about at Home, I do not know whether they are in the pay of capitalists or in the pay of steamship companies, or whose pay they are in, but the fact remains that these men lecture at Home about the big wages paid, indirectly inducing men to come out here without their having a true knowledge of the state of affairs.

Can you substantiate the statement with regard to the capitalists?—I say it lies either with the capitalists of the mines or the capitalists of the steamship companies.

I want to elicit where capitalists who control the mines have been spreading these reports with the consequences you name?—I say that last year there was a letter sent out by the Master Builders' Association enlarging on the rate of wages on the Rand, and contrasting the high rate of wages here with the low rate of wages, as they call it, at Home. I take it you would call them capitalists because they are directly responsible to the mining industry; without the mining industry Johannesburg would not last six months.

You do not accuse any of the mining houses spreading about such reports?—No, I cannot give you the names of any mining houses, but I know there are men going about lecturing for this purpose, and they do not do it for love, and it follows that men who pay them will reap the benefit of the men coming to this country.

Dismissal of miners.

Now about the short notice. Cannot the man just as well give 24 hours' notice to leave as the company?—Yes. Most decidedly. I think I said so in my statement.

So it is a hardship on the company also if a man gives 24 hours' notice. It cuts both ways.—You won't find a man who will throw up a good job to take the chance of getting work in another place.

I know two years ago, carpenters have thrown up and left in 24 hours' notice, because they could get 2s. 6d. more at another mine.—I know a man who got a job on a mine not far from Krugersdorp, a married man, who took his wife and family to the district. He was only there three or four days, and he had all the expense of taking his belongings, and furniture out, and because he was at the mercy of the consulting engineer he was thrown out.

Anyhow, it cuts both ways. In the case of the men the chance is the men are not competent, and the company is justified in dismissing them?—If they are going to dismiss them, they ought to get a month's notice, as they pay them monthly. If they are going to dismiss a man by the day they ought to pay him daily. I don't contend they ought to be paid daily. In the case of clerks, secretaries, and amalgamators, they get a month's notice and they are paid monthly. If a secretary is dismissed at a day's notice, he claims a month's pay.

Chairman.

I understand you have a written declaration, but, being called at short notice, you could not bring it with you?—Yes, I had a statement written out, but owing to the fact that I was in the Free State yesterday, and I had to appear to-day, I was unable to bring it with me.

Where is it?—In Krugersdorp. I can send it in.

I shall be glad to have it.—Then I shall only be too pleased to hand it in to the Commission.

Mr. G. A. A. Middelberg's evidence.

MR. G. A. A. MIDDELBERG, after being duly sworn, said:

Before proceeding to answer the questions which will be put to me, I should like to have the opportunity of supplying certain information, in consequence of the interrogatory of witnesses which has already taken place. The most important point of the accusation laid against the tariffs of the Netherlands Railway consists in the share of the carriage obtained by us in the traffic from the seaports to Johannesburg. The accusation that the tariffs from the ports to Johannesburg should be higher by our taking a greater share of the profits, than they would be if we accepted a lower share, is devoid of foundation. Let us commence with an illustration, which will make the situation and position clear. When two individuals decide to build a house, and provide the necessary funds therefor, and when the rental of that house has been fixed, then it is certainly a matter of indifference to the tenants of the house what share of the rent each of the two owners receives. This is exactly the same in the case of the share of carriage received by each of the administrations in the traffic with the ports. Let me now return to the history of the present existing tariffs. When the railway from the Cape ports to Johannesburg was completed, the Cape Government had obtained the right, by the so-called Sivewright Convention, to raise the tariffs entirely at their pleasure, only binding themselves to pay out a certain share to the N.Z.A.S.M. These tariffs exist at present, although since then reductions have been introduced here and there. So far as I know, prior to six months ago, no objection was uttered against these rates, and the agitation which has arisen during the past few months has certainly surprised both you and me not a little. When the Delagoa Bay line was opened for traffic, we asked ourselves, as any railway management would have done, what rates must be introduced on that line, so that that line should have a share of the traffic in accordance with the forwarding capacity of the line. The difference in rates from Delagoa Bay with East London was fixed on an average of 15s. per ton. Again, somewhat later, the construction and opening of a line with Natal was negotiated, and again the question was asked, what tariffs shall be recognised on that line, so that also that railway connection should obtain a proportionate share in the traffic. As you are aware, and as appeared later from experience, the rates from East London to Johannesburg have assured also to Durban a sufficient share in the traffic. The rates from the ports to Johannesburg thus in this way stood firm with the most sound railway principles. What share each of the administrations should receive therefrom has nothing to do with these rates, but is the result of agreement; or, if you will, of struggle between those different administrations. When, therefore, a limit was placed thereon, by the Cape management taking measures to prejudice the railways from Delagoa Bay and Natal, by demanding from us a higher share of the rates, there was no mention of increase of tariffs, but alone of the ceding of a greater share by the Cape administration to us. The correspondence having reference to this is to be found in Green Book No. 1, 1895. It is surprising that these so simple facts are not grasped in Johannesburg. This is the more to be wondered at, because by a comparison of the so-called rates from Mid-Vaal River with those from Vereeniging, an elucidation of the fact could so easily be arrived at. But this is still more surprising, for when some time back a disagreement arose between the Free State and Cape administrations regarding the share of rates which each should enjoy in the through traffic, and when the

Netherlands Railway share in through rates.

History of present railway rates.

Difference of rates on Delagoa Bay and East London routes.

Through railway rates on Natal line.

Shares of different railway administrations in through rates are independent of the amount of the rates.

Cape administration threatened to extort a greater share for itself, no cry of indignation sprang up in Johannesburg that the tariffs would be raised, because they then fully understood that a higher share for the Cape administration was equivalent with a lower share for the Free State. I do not here contend that the rates from the ports to Johannesburg are high, or low, or just; I merely wish to demonstrate that the share which the N.Z.A.S.M. has obtained has nothing to do with the tariffs from the ports. Certainly the N.Z.A.S.M. could have induced a tariff war, instead of warding it off; but I consider myself fortunate that hitherto the tariff war has been avoided. Many in Johannesburg would have rubbed their hands in ecstasy had the three competing railway lines to the ports commenced a tariff war in the genuine American manner. It requires no demonstration that this would have been greatly to the detriment of the whole of South Africa and its Governments. With respect to this State, the important fact should not be forgotten that it receives 85 per cent. of those higher tariff shares, and of those greater receipts, and over and above this, as a large shareholder, about another 5 per cent. In place of which it might have been expected it would have been said, "Thou, good servant, thou hast, in accordance with genuine commercial principles, assured thyself of the largest share of the general revenue by which this State has been placed in a position to cover the increasing expenditure,"—a cry of indignation is uttered, which, taken at its least, is unjust. Permit me now to subject the direct tariffs to a closer examination. In the first place, people have distorted the shares of rates of the N.Z.A.S.M., and made them to appear as tariffs; and they have compared them with those in other countries of the world. It is astonishing that they have forgotten to make a comparison of the tariffs from the ports to Johannesburg, with the tariffs from the ports to other places in South Africa, namely, to stations of the Cape Colony, Free State, and Natal. Had they done that, they would have arrived at the surprising result that not alone had Johannesburg reason to pity itself, but all the other places, for instance, in the Free State and Cape Colony. I attach hereto a statement of the tariffs per ton and per mile in the Cape Colony, Free State, and Natal, and I find that, far from the rates from the seaports to Johannesburg being high, when compared with those to other places, they may be called exceptionally low.

Share of State in Netherlands Railway shares of through rates.

Comparative railway rates from ports to Johannesburg and from ports to other South African places.

COMPARISON OF THE TARIFFS PER TON AND PER MILE ON THE CAPE AND NATAL RAILWAYS AND FROM THE PORTS TO JOHANNESBURG:—

Comparative table of railway rates per ton per mile on Cape and Natal railways, and from ports to Johannesburg.

	Normal Goods.	Medium Class.	Timber (Rough Goods).
Cape Railway (local traffic)—			
50 miles, delivery fee not included	6d.	2·80	4·80
100 " " " "	5·40	2·40	3·60
200 " " " "	4·90	2·20	3·30
For long distances, such as Port Elizabeth, Johannesburg	4	1·71	2·68
Actual rate to Johannesburg—			
From Port Elizabeth, delivery fee included ...	2·70	2·41	1·75
" East London " " ...	2·76	2·43	1·77
" Cape Town " " ...	2·56	2·17	1·67
" Durban " " ...	3·79	3·34	2·43
" Delagoa Bay " " ...	4·24	3·64	2·52

	Normal Goods.	Medium Class.	Timber (Rough Goods).
Rate from Port Elizabeth—			
To Bloemfontein	3·90	1·78	2·60
„ Kroonstad	3·18	1·97	2·87
„ Viljoen's Drift	2·85	2	2·57
„ Kimberley	4·01	1·82	2·72
„ Mochuli	3·53	1·97	2·36
Natal Railways (local traffic)—			
25 miles	8	6	5·20
50 „	4·50	3·70	3·10
100 „ and more	4	3·25	2·75
Netherlands South African Railway Company—			
For all distances without terminals	6	4·50	3

Thus for instance, where the 2nd class goods are forwarded from Port Elizabeth to Johannesburg for 2·7d. per ton and per mile, the rate to Bloemfontein amounts to 3s. 9d., to Kroonstad 3·18d., to Kimberley slightly over 4d.; and we see that the inhabitants at Viljoen's Drift have to pay almost the same rate for oversea goods as to Johannesburg, certainly a proof that a share of the rates from the Vaal river to Johannesburg has no effect thereon. But the differences come out strongly when we compare the rate for timber to Johannesburg with that in the Cape Colony and the Free State over similar distances. There we find that timber from Port Elizabeth to Johannesburg is rated at 1·75d. per ton per mile, to Bloemfontein 2·60d., Kroonstad 2·87d., Kimberley 2·72d. The same applies to the Natal line, though in a somewhat lesser degree. We now go a step further, and ask under what rates the mining industry in Rhodesia will have to come for development. People have fixed all hopes on the development of the mines in Rhodesia. Nowhere have I heard it asserted that these mines are richer than those on the Rand. Well, now, the rate from Port Elizabeth to Mochuli in transit to Rhodesia amounts, for normal goods, 9·4d. per 100 lbs., against 8·1d. to Johannesburg, and the rate for timber 5·8d., against 5·3d. to Johannesburg. To this rate there must still be added the rate over the great distance from Mochuli to the gold fields. Is it not marvellous how anyone can think of the possibility of ever developing these fields, when it would appear, with the existing rates to Johannesburg, already to be impossible. We see from the foregoing that, when anyone in South Africa has to complain regarding the high railway rates, it can certainly not, in the first instance, be Johannesburg, but nearly all the other places in the Free State, the Cape Colony, and Natal which are deprived of the results of the privilege of lying nearer the sea. And when the great wish, recently expressed, that the endeavours of all must be that all whites south of the Zambesi shall have equal rights is realised, then important reductions in the matter of railway tariffs will have to be introduced for the benefit of these other places. It is just because the principle of a State railway so little suits the railways in South Africa, and the railways are rather managed on commercial principles, that this more satisfactory result is obtained for Johannesburg. If the true State railway principles whereby privileges for one standard or class above another are excluded, were recognised here in South Africa, then this certainly would not come in the interests of of Johannesburg tariffs. I now come to the second great grievance: the coal rates in conjunction with the working costs. What has not been told regarding the coal tariffs? In the manifesto of Mr. Leonard, it was already contended, and I myself was mentioned as authority, that the profit from the coal rates for the mining

Through railway rates to Rhodesian mines.

State railway principles unsuitable for South Africa.

Railway rates for coal on English railways.

industry along the Rand would be sufficient to cover the expenditure over the entire line to Delagoa Bay. This was repeated almost recently in the report of the Chamber of Mines, and by Mr. Eckstein. Mr. Fitzpatrick, with a dexterously chosen example, which is really an exception, has attempted to give an illustration in the case of the Geldenhuis Deep, of the weighty burdens which rest on the mining industry through the coal rates. Another went so far as to quote the tariffs for coal on certain English railroads, and it was even said that because the Free State Railway charges the Cape Railway ⅛d. per ton per mile for the coal on behalf of the Cape Railways, this tariff could be suitably introduced on the Rand. Why did they not go a step further, knowing that the N.Z.A.S.M. does not charge anything for the coal for its own use on its own line, no more than the Cape Railways for theirs, and declare that thereby the proof was furnished that the coal for the mining industry could be forwarded for nothing? The basis for the compilation of all tariffs is the calculation of the working costs, as well as of the interest and further necessary and actual expenditure. There exist two ways by which the working cost can be calculated. Let me, by an example, make both these modes of calculation clear. Suppose a railway forwarded 100,000 tons of goods per annum, and receives as carriage £1 for each ton, and let us allow that the cost of working, say thus: the costs for the maintenance of roads and buildings, the actual cost for motor power, the cost of stations and traffic *personnel*. Further, the general expenses, the interest, and the writings-off amount to £100,000, then the costs are covered, and it can be said that the actual cost for the forwarding of one ton amounts to £1. Suppose now that that railway, which has there not reached the limit of its forwarding capacity, gets an offer to forward 10,000 tons more, and must do this at such a reduced price that it can make no profit, or, at least, very little. To estimate the actual cost, which is necessary to forward these 10,000 tons, over and above the already existing 100,000, we go to work as follows: we say the railroad is there, and is maintained. By the increased transport of 10,000 tons the interest of a railway is not increased, any more than the cost of maintenance. The *personnel* of the stations remain the same, whether one or more trains have to pass through. The only thing that costs more is the *personnel* and the fuel of the trains which have to travel more. Suppose now we arrive at a figure of 5s. per ton, for which these extra 10,000 tons could be forwarded, then we find at the end of the year an income of £102,500, as against an expenditure of £102,500. That railway has thus remained in the same condition. Then, however, the forwarders of the first 100,000 tons say: "You can, and you admit that you can, forward 10,000 tons for £2,500. How can you then ask us to pay £1 for each ton?" And yet what a difference in the account. In the example thus far quoted the returns for 110,000 tons are £102,500. Should, however, the whole 110,000 be forwarded for 5s. per ton, the returns would amount to £27,500, or, in other words, a loss be entailed of £75,000. Here, in Africa, far too much is already forwarded for prices which do not cover the cost according to the first account. It is not long since the Commissioner of Railways in the Cape Colony assured me that the net cost of a ton of goods per mile on the Cape Railways, bearing in mind all the cost and expenditure for maintenance, amounted to between 1½d. and 2d. I could not believe that then, but recently I have convinced myself of it by the following calculation, which, as all the data were not at my service, cannot lay claim to entire exactness, but is certainly sufficient for our purpose. I estimated the average revenue per ton of goods per mile on the Cape and Natal Railways. I said, were those estimated average prices reduced to 1·5d., how much would be the loss sustained by the Cape and Natal Railways, and I found that the smaller income represented a larger sum than the whole net returns of the Cape and Natal railways, after the subtraction of the interest of the construc-

Basis of compilation of railway rates on coal.

Methods of calculating railway working costs.

Net cost of a ton of goods per mile on the Cape railways.

tion capital. From it appears that, by a general application of a tariff of 1½d. per ton per mile, these railways would not be in a position to cover the interest and expenses. For our railway, ampler data are at my disposal, and applying the same method to our returns, I come to the conclusion that the loss for the railway, after the payment of all remaining costs, amounts to over £150,000; 1½d. per ton per mile is thus below our actual cost. It has been said that our working expenses must be exceptionally low. The argument of the influence of low grades, so attractive for the layman, is always brought forward. Did our working costs amount to less than those of the other railways in South Africa, then it certainly would be the only thing in the Republic that is cheap. I have never heard it stated that we pay extravagantly high salaries to the *personnel*, or that our *personnel* is too extensive, and yet I can assure you that the working costs amount to considerably more than on the other lines. In this respect we are proceeding by degrees; each year the working expenses become less, but it will be long before we reach the figure of the other railways. It would take me too far to sum up all the reasons for this, and point out the facts which place these reasons beyond any doubt. Should the Commission be interested therein, I shall certainly give information later with regard to it. Now, it has not been my intention in the above to contend that it is unsound policy to fix tariffs lower than the actual cost, by which all expenditure is taken into consideration. We are quite as guilty as the other railways thereto. The cattle traffic, for instance, is done at a much lower rate than the so-called actual cost, and demonstrates clearly how far we can go with the lowering of the tariffs in South Africa. Where, for instance, a truck with eight oxen is forwarded on our line at a rate of one or one and a half tons ordinary normal goods, the Cape and Natal Railways forward this wagon as if it was only loaded with one ton of goods. When we bear in mind that the average load of a wagon is eight tons, then this cattle traffic, which certainly belongs to the most difficult class of traffic, and to which delay can do so much mischief, takes place at one-eighth of the tariff for ordinary goods. The forwarding of coal to the ports takes place on all South African lines at ½d. per ton per mile, more or less. These examples go to show how far we are already below the average actual cost of traffic. With respect to the rate of coal along the Rand, I shall certainly not contend that this cannot be lower. The returns are somewhat greater than the actual cost, but assuredly not so much as people think. Let us closely examine the returns of the coal traffic. Here follows a list of the quantities of coal which have been forwarded on the so-called south line, from Pretoria to Vereeniging, and Springs to Potchefstroom.

Working costs of Netherlands Railway.

Railway rates lower than actual cost.

Railway rates on coal along the Rand.

Table of coal tonnage transported.

TABLE OF COAL—IN TONS—FORWARDED ON THE SOUTH LINE AND RAND TRAM (INCLUSIVE) TRANSPORT FROM BRUGSPRUIT AND BALMORAL TO STATIONS SITUATED PAST PRETORIA:

1896.	
November	76,589 tons.
December	89,676 „
1897.	
January	81,898 „
February	76,528 „
March	90,735 „
April	88,847 „

February coal returns.

March coal returns.

In February the returns from the coal traffic amounted, including costs for sidings and platforms, all in all to £25,362 15s., or an average of 6s. 7d. per ton. In March the returns amounted to £29,567 3s. 6d., or an average of 6s. 6d. per ton. In April

the returns amounted to £28,411 4s., or an average of 6s. 5d. per ton. This was the coal required for all purposes—mining industry, trades, and household use. The whole revenue of this traffic, including the high cost for sidings so enlarged upon by Mr. Fitzpatrick, amounted in February to £25,362 15s., or an average per ton of 6s. 7d. In March the returns amounted to £29,569 3s. 6d., or 6s. 6d. per ton. In April £28,411 4s., or 6s. 5d. per ton. Well, now, in these returns of less than £30,000 per month, people seek for the covering of the expenses and the interest of the whole capital of the railway. Were this coal forwarded for nothing, then the loss in the returns of the railway, and almost the profit of the mining industry, would amount to £300,000 or £360,000. Should your Commission come to the conviction that the needy mining industry could be practically assisted by a reduction of the coal tariffs, and if the opportunity were given us by a lengthened term of existence, then I do not believe that this would receive any preponderating objection from us. We could promise, for instance, that for three years all mines which pay no dividend should have considerable restitution of the sum paid out by them for coal transport. This manner of helping a poor industry was, *inter alia*, applied on the railways in Dutch India during the crisis of the sugar industry; and we thus avoid that to the rich even more riches would be added. But, to proceed, we will now examine the actual profits and surplus of our railway, and also those of the Cape Colony and Natal. With regard to our railway, imagination has unfolded its wings, and as though we were on the market, where people bid against each other, these profits have been mentioned as fabulously high. People have spoken of 1¾ million, and I know not what besides. Mr. Chairman, there is nothing of the kind; these figures exist solely in the imagination of accountants, who had no facts at their disposal. I attach hereto a list of the actual surplus on our railway during the years 1895 and 1896:

April coal returns.

Reduction of railway rates on coal possible

Profits of Netherlands Railway.

TABLE OF SURPLUS—1895 AND 1896.

Table of Netherlands Railway surplus for 1895 and 1896.

	1895.			1896. (Rough).		
	£	s.	d.	£	s.	d.
Surplus after payment of the guaranteed interest, redemption of loans, deposit in the Reserve Fund for extensions, truck hire, extraordinary losses, &c.	379,209	0	4	890,000	0	0
Of which the shareholders and the company receive...	56,881	7	0	133,500	0	0
And the State as shareholder	14,282	10	0	36,000	0	0
The share of the surplus for the State (85 per cent.) amounts to	322,327	13	4	756,500	0	0
While in import duties was raised by the railway	137,337	2	3	242,200	0	0
So that after subtraction of the import dues, the share of the State in the surplus amounts to...	184,990	11	1	514,300	0	0
Surplus of the Natal railways—						
Percentage on the construction capital ...	4	1	0	11	9	0½
Surplus of the Cape railways—						
Percentage on the construction capital ...	7	9	10	8	19	7
Surplus of the Netherlands South African Railway Company—						
After subtraction of the share of the State, in percentage on the construction capital ...	5	8	2	about 6	2	0

The surplus in the year 1896, after payment of the guaranteed interest, redemption of loans, deposits in the reserve fund for extensions, wagon hire, extraordinary

Amount of Netherlands Railway surplus for 1896.

losses, etc., etc., amounts roundly to about £890,000, for the figures have not yet been stipulated by the Government Commissioner in the Netherlands. Of this the shareholders and the company receive £1,335,000, and the State, as shareholder, £36,000. The share of the surplus for the State amounts to £756,500, according to the concession, while £242,200 was raised by the railway in import dues, so that, after deducting the import dues, the share in the surplus for the State amounts to £514,300. Well, then, Mr. Chairman, the whole surplus amounts thus to £514,300, plus £133,500. This amount could thus be thrown into the lap of the poor mining industry. In how far this is necessary, in how far the State will give up its income, is not for me to decide. I can only speak of the share which the company receives, and I for myself can declare that, should the Government consider that we, by continuance, served to work the line, and should the assurance be obtained, we would have no objection to meet the wishes of the Government. I do not here need to repeat what surplus the Cape and Natal railways could deposit in the lap of the mining industry in the same manner. This is a matter which does not lie in my path. I would only remark that the profits made by the owners of the railways in the Cape Colony and Natal, are considerably higher than those of our railway, and hence I come to the important fact that the surplus, according to the percentage, make a greater share of the general returns, and also of the returns of the goods traffic in particular. Should this appear strange to you, and the desire be entertained to have further data, I shall be willingly prepared to answer your questions. Before concluding, I must return to a couple of general points. It has been declared that the railways must be satisfied with an interest of 2½ to 3½ per cent., even when the market rate of the money should be so low. While this at the present moment amounts to 4 per cent., I can declare that although I have seen many railways in my life which only paid out 2½ to 3½ per cent. dividend, I have never seen one that was satisfied therewith. On the contrary, I see that even big railways in Europe, in the most populated countries, carry their dissatisfaction so far that they pay out dividends which are considerably higher—even as high as those of the mining industry in Europe. It is also said that the mining industry is an uncertain industry, and must therefore make bigger profits. We must consider, in this connection, what another witness has said here before your Commission, that the railway and the mining industry are subject to the same risks. If the mining industry deteriorates, he says, the railway does also in a like degree. Well, now, if that is so, then the uncertainty of the mining industry is decidedly a reason for the railway industry to desire higher sums for profit, and for the rapid redemption of the capital when it stands and falls with the industry which is declared to be uncertain, and which, in the natural course of circumstances, will one day come to an end. It has been said that our railway has the key of the situation in its hands. I will admit this for a moment, and declare myself satisfied that up to the present the possession of that key has been the reason for the prevention of a tariff war to the detriment of this State, and of very brief benefit to certain merchants and the mining industry. I repeat that when we are further placed in a position to work for the benefit of the State and the industry—and no attention is given to the desire of many in Johannesburg to expropriate the line at any price, when that cannot be done for other reasons—then certainly a way will be found to deal with the reduction of tariffs in conjunction with the Government and the parties concerned. But this is certain, that the remaining railways in the other countries of South Africa can never thereby be lost sight of. Which portion of the returns of the various railways in South Africa should be yielded for the profit of the mining industry, and perhaps also of other whites south of the Zambesi, now labouring under prejudicial conditions, can only be fixed in conjunction with the allied administrations.

Division of Netherlands Railway surplus of 1896.

Profits of Cape and Natal railways.

Railway dividends

Uncertainty of Netherlands Railway profits.

Possible reduction of railway rates in conjunction with Government and other S. African railways.

and with an eye to the general welfare; and not by the use, or rather misuse, of the possession of the key to the situation. I have now come to the conclusion, but I must not omit to touch on a couple of minor points, which by declarations made before you might have brought about an entirely wrong impression. It has been made to appear as if we are opposed to the construction of sidings, and as if it were our fault that the coal is still always forwarded in bags. Nothing is more unjust than that. We have frequently insisted, and are still insisting, that the mines make sidings, and when it is at all possible, we meet their wishes in the matter. For several years we have gone to much trouble not to forward coal in bags. For instance, we always do it for our own service, and it has always been a puzzle to me how, on account of the not inconsiderable cost, the traffic in bags is not given up. I have repeatedly asked thereanent, but have never got a definite answer, and now at this moment it is pleasant for me to be able to say that one of the mines between Elandsfontein and Johannesburg, even without having a siding, will make a fair trial of the traffic without bags. The other points are of too subordinate interest, but perhaps I shall find opportunity to bring these forward during examination. I thank you, Mr. Chairman, for having listened to this declaration, and hope that you and the members of the committee will give me opportunity to further elucidate any points, principle, or meanings contained therein, which may not be clear to you. After the foregoing was prepared, I received the tariffs on the Beira Railway. This railway from Beira to Chimoio is the property of, and is worked by the same company which has to develop the mining industry in Rhodesia. The length is about a third of that from Delagoa Bay to Pretoria, and the rates are:—Machinery, corrugated iron, cement, provisions, liquors, and general merchandise, 7s. per 100 lbs.; furniture, millinery, beds, &c., from 7s. to 20s. per 100 lbs.; grain, 3s. 6d. per 100 lbs.; horses, mules, cattle, £3 10s. each. Before declaring the tariffs of the N.Z.A.S.M. the highest in the world, a comparison with that railway in our immediate neighbourhood should not be out of place.

Construction of sidings.

Traffic of coal in bags.

Beira railway rates.

Mr. *de Beer*.

According to the estimate you made in your statement, it carries about a million tons of coal per annum?—Yes.

Estimated coal traffic of Netherlands Railway.

This is at an average charge of 5s. 6d. per ton?—Yes.

Average rate per ton of coal on Netherlands Railway.

Can you state to me the percentage of profit per ton?—You cannot possibly take one class of goods individually in estimating profits. As I have said, the real expenses of one ton per mile is averaged on the entire traffic, and is 1½d. per ton per mile. The carrying of coal on the Rand is certainly not the cheapest traffic we have got. The cheapest traffic we have got is across the Free State, where the train is taken over the boundary without any shunting. The carrying of coal on the Rand is under slightly more difficult circumstances.

Percentage of profit per ton of coal on Netherlands Railway.

The suggestion has been made to the Commission that the carriage price of coal could be reduced 30 per cent. Can you tell me the actual cost of coal?—I cannot say the distance it is carried.

Suggested 30 per cent. reduction of railway rate on coal.

It is said to be 28 miles?—It is wrong to say it is 28 miles, because at the present moment 500 tons of coal are sent daily from Brugspruit and Balmoral.

Distance of coal transport.

You cannot give us what the price per ton per mile is?—No, I cannot do it. I can have it done for a month to get the average, but it would take a lot of time to do that.

You have made use of the expression "the key of the situation." Who has got the key of the situation?—We have got it.

The key of the railway situation.

It has been declared that way before the Commission, and witnesses have further stated that if tariffs are lowered, that, as a natural consequence, the Colony and other neighbouring States will have to follow suit, and if they don't do it we could get our goods through Delagoa Bay?—That is quite right. Assuming that the tariff from Delagoa Bay was lowered considerably, Natal will have to follow suit, and the Cape will put the question to itself as to whether its traffic will still pay, because the difference between the freight to Johannesburg and the tariff in the Colony will be so great that opposition will arise from the side of the inhabitants of Cape Colony, unless the local tariffs are lowered, and the Government will see it is better to drop the traffic.

Railway rate on coal from Springs to Krugersdorp.

Can you carry coal at 3s. 6d. per ton from Springs to Krugersdorp without loss?—I must again point out to you the different ways of calculating. If one takes the charges to the other traffic—maintenance, expenses, interest, amortisation of loans, reserve fund, and so forth—and coal has to bear its share of general expenses, it could not be done, but you could carry coal cheaper if you only have to charge for hauling power.

Mr. *Schmitz-Dumont.*

Differential railway rates for dividend-paying and non-paying mines.

You have said in your statement that the directors would have no objection to granting a restitution of freight pay to mines which did not pay a dividend for three years?—That is an idea I have thrown out, and I am quite prepared to abide by it if the Government desire it.

You have not gone into details yet?—I have worked it out in my mind. Of course, if the idea were adopted, it might not become a permanent institution.

And for those mines that pay very low dividends?—We could make a sliding scale from 10 per cent. up to 50 per cent.; so that mines paying three per cent. would get a reduction of ten per cent.

Proportion of profits to capital of Netherlands Railway.

The real railway surplus is £647,000?—Yes.

What proportion would that be on the share capital of the company?—Fifty per cent.

Do you know any railway which makes a profit of 50 per cent.?—You must bear in mind there are very few railway companies where the share capital is so small compared with the total amount expended. If the share capital were the whole cost of building, the dividend would be nothing out of the way.

There are debentures?—You put the question whether I don't consider the surplus. If certain capitalists say we want good security for capital, with low interest, that has nothing to do with the economical position of the railway. We have always carried out the wishes of the Government, and also carried them out in this instance.

You propose that the Government must lose about £500,000?—Excuse me, I do not. It is a question of how much you can give, and return nothing. I don't say you must do it.

If the Government gave £500,000 and the company £133,000, how would it be possible and how would you bring about a reduction?—We could reduce machinery to a lower rate on an average of two or three months taking the same quantity of traffic as exists at present. We should have to see how much less revenue we should get. Say we give £200,000 out of the surplus we should have to distribute that sum in such a manner that the mining industry gets a share and agriculture as well. I can give you every facility for getting an estimate.

Apportionment of surplus following reduction of railway rates.

30 per cent. reduction of railway rates on

The mining industry wants rates lowered by 30 per cent. on foodstuffs, machinery, etc.?—In one month the revenue of the entire goods' traffic is about £200,000

and a third of that would be £70,000. That would mean a loss of £840,000 to the railway, and that would be a bigger figure than could possibly be given according to the surplus of last year.

entire goods traffic excessive.

Mr. *Albu.*

May I ask you again what the gross receipts were in 1896?—There will probably be a lot of questions asked me about figures of last year, but I must state that they have not been fixed by the Railway Commissioner at Home, consequently I cannot be exact. Within a few weeks, the whole statement will be published.

It is a pity that we cannot have the figures approximately to-day.—If you put a question, I will give the figures as near as possible.

What were the actual receipts of the Netherlands Railway for 1896?—I will give the figures approximately, and I shall be open to correction. [On referring to his portfolio, Mr. Middelberg could not find his data, and said he had omitted to bring the figures.]

Netherlands Railway receipts for 1896.

Now, would it be correct to estimate the receipts at £2,970,000 for last year?—I cannot give you a reply with certainty, but the figures you name seem familiar to me, and may be correct, but I am not certain.

I would like to know how you arrive at a surplus of £500,000, as, according to my figures here, we arrive at much higher?—I don't know. The report will be very shortly published, but I cannot give you details.

It will be published before the Commission publishes its report?—Yes.

When I was examined I gave figures, and I think they are pretty reliable, that the actual receipts of the Netherlands Railway were £2,970,000, and the working expenses £1,237,000.—I don't think that last figure is correct. What is your source of information with regard to working expenses?

Working costs of Netherlands Railway for 1896.

I would rather not mention that. From these figures I said that, if the Government were to expropriate the railway, and take last year's figures as a basis, and allow 6 per cent. on the debentures, and on the expropriation capital—We pay 4 per cent.

I say, if you allow 6 per cent., you get, in excess of actual receipts, £1,298,000.—You must have made a mistake somewhere.

It is a pity we have not got the figures before us. Now, you have pointed out to a member of the Commission that the capital of the Netherlands Company is in itself but very small, but you have debentures which, to a great extent, cover the cost of the material and building the railway line.—Yes, to a great extent.

But you must not forget to point out that it is owing to the fact that the interest on those debentures is guaranteed by the Government that you are able to have such an enormous proportion of debentures on the share capital. I could float a gold mine with a small capital if the expenses of machinery and equipment, and the development of the mine, is guaranteed by the Government in the shape of interest on debentures. The credit of this Government is so good that we would be quite satisfied if the Govern- guaranteed our debentures at 4, 5, or 6 per cent. That's a difference.—That is so manifest that it it is unnecessary to argue it. You see the position is this: you must never forget that, on account of the Government guarantee of the entire amount of debenture interest, the Government also gets 85 per cent. of the surplus; and the Government gets nearly six times as much as shareholders.

State guarantee of Netherlands Railway debentures.

Government share in Netherlands Railway profits.

What I wanted to point out is that the Netherlands Company claim a special merit for having so small a share capital, and a larger debenture capital since the Government of the Transvaal has guaranteed the debentures—I don't claim any merit.

I want simply to point out that, had these debentures not existed, your dividends would be infinitesimally small, and the big profits over which we are shouting about

would be nowhere.—I don't think you understood my reply to Mr. Dumont. He asked me how much was the capital and dividend, and I said so much. There was no pride in it, and we take no special merit.

Estimated bonus to *personnel* of Netherlands Railway for 1896.

May I ask you—I hope I am not indiscreet in putting the question—what do you estimate the bonus to the *personnel* to be ?—Two-ninths of £133,500.

Bonus to *personnel* of Netherlands Railway in 1895.

It was in 1895, £18,500 ?—Two-ninths of £56,000.

You think this time it will be about £35,000. Now, the capital of the Netherlands Railway is £1,166,000. In the event of the Government expropriating the railway, considering that the Government has got 400,000 shares, this will leave about £700,000 to pay dividends at 4 per cent., and interest on debentures. Of course we must assume, in case of expropriation, that the shares would have to be expropriated at least at 150 per cent. premium.—I don't quite follow you.

I wish to show in case of expropriation very little more would be required in the shape of premium on guaranteed interest than the *personnel* alone receives here.—If you take it for granted that the bonus to the *personnel* is simply a present; you see even the mines give a bonus to their employees, which is a voluntary action.

Quite so; for services rendered. These services would have to be rendered in the case of the railway, even in the event of the Government taking over the railways.—In some other way you would have to pay it, unless you go from the standpoint that the wages are too high.

I would be induced to put that question because I do not know how much the directors at Home get out of it ?—I can say a considerable portion of that is retained for a pension fund.

We maintain that the rates charged by the Netherlands Railway are too high.—Do you speak about local tariff or the tariff from the ports ?

Excessive Netherlands Railway rates from ports.

The tariff on the Netherlands line portion.—Such a tariff does not exist. In my declaration I hold such a separate tariff does not exist; it is only the portion of the whole traffic charged from the port to Johannesburg that the N.Z.A.S.M. receives. I maintain you have got very little to do with what the railway receives out of it; you must go on the broad basis and deal with the tariff from the port to Johannesburg.

We must go on the basis that we must not take into account how much the Netherlands get out of the traffic, or how much the Cape Colony gets, but we must be satisfied to pay and look pleasant, and not mind who gets the profit.—No, you can say that the whole of the tariff charged from the port to Johannesburg is too high, but it is a mistake to say that that portion of the tariff is too high. It is simply an arrangement between the two administrations.

I say that the whole tariff to Johannesburg is too high.—This discovery has been made within the last six months; it is a marvel that it had not been discovered within the four previous years. I wrote a long letter six months ago, expressing my surprise that the mining industry had not long ago objected to the high tariff levied from the port to Johannesburg.

Only for argument's sake I will put the question, is not the tariff from the port to Johannesburg too high ? For instance, the tariff from Port Elizabeth to Viljoen's Drift is, for third-class goods, 2d. per mile per ton, but from the Drift to Johannesburg is 7d.—You forget to mention that in the through tariff there is a transit tariff and a local tariff. The transit tariff is a fighting tariff. The one you quote is the transit tariff, and I will give you the local tariff to Viljoen's Drift. The local tariff from East London to Viljoen's Drift is 6s. 6d. per 100 lbs., and from East London to Johannesburg is 4s. 11d. From Port Elizabeth the local tariff is 5s. 3d. to Johannesburg, and to Viljoen's Drift 7s. 1d. It would look, according to your argument, as if the N.Z.A.S.M. paid 2s. towards carrying the goods.

Through and local railway rates.

I don't quite understand it. You charge 7s. 7d.?—No.

That is what we pay; who gets it?—The Netherlands get it from the Cape.

If you get it from the Cape, who pays the Cape?—You pay 10s., and out of that e Netherlands gets its share. The charge on timber from Port Elizabeth to Johansburg is 5s. 3d., and out of that we get 20d. May I say one word with regard to at? 20d. from Mid-Vaal to Johannesbusg looks extreme, but it is really a fighting riff. We get the lion's share, but you must not forget that the expense of hauling a ain from Mid-Vaal River to Johannesburg is not higher than the expense in hannesburg for the station, kazerne, and delivery. I did not like to put it in my claration, because I might have given the impression it was the tariff I wanted to fend. That is not the tariff, it is our share of the total tariff from the port to hannesburg.

Who gets the lion's share; I have got the statement of 1896, and it shows an ormous income. I have also got a table of the Cape Government Railway, and it ows an enormous income; it is generally stated you are the stumbling block of the ole of South Africa.—There is a lot of calumny scattered about it.

Income of Netherlands and Cape railways.

Is it not a fact that at a conference at Maritzburg you and Mr. Hunter, of the ital Railways, proposed that galvanised iron and flour should be removed from a ver to a higher class, and that the Cape Government, as represented by Mr. Elliott, posed it?—No; it was an indiscretion on the part of Sir James Sivewright to assert it, and he is plainly answered by Mr. Murray of Natal and Mr. Brounger of the ee State. The question was raised casually at Pietermaritzburg whether it was not ssible to do away with that special class, but they thought it better to ignore it, as the goods in that class were put into a higher class it would make a bad impression. e matter was not even mentioned in the minute.

Railway conference at Maritzburg.

Railway rates on galvanised iron and flour.

There was no definite proposal made?—No.

Then you absolutely deny that you have been the cause of the railway rates not ing reduced right through South Africa?—Of course, I absolutely deny it. The pe has never made a single proposal for the reduction of the tariff. It is only since s Commission has been appointed that Sir James Sivewright, in an unofficial nner moved for a commission to look into railway matters. I have not yet eived an invitation to attend such a commission, nor has the Government.

Netherlands Railway has not prevented reduction of South African railway rates.

In other words, there is a good deal of protestation and assumed fighting going , but there is no earnest desire to see in what way the rates could be reduced?—I n't want to say that. Now that matters have taken this course, conferences will be ld to seriously consider the question.

Railway conferences to be held.

The mining industry is in this position. We find that under present circumnces it is impossible to work the majority of our mines at a profit. We have got ese burdens—high railway rates, dynamite, and minor legislative measures. We proached the Netherlands Railway and the dynamite people to help us by lessening ese burdens. Our feeling is that where a surplus has been obtained during one ar of over £1,000,000 in the railway department, a further £2,000,000 have been tained from us in the Cape Colony, the dynamite people made a profit of £500,000 more out of us, it is natural we should think these are the spots which we can uch. These various industries can help the big mining industry, which, after all, pports everything. If the Netherlands Railway Company could not be expropriated r the Government, then they would be quite right to make as much as they could, nt the Government has the right to expropriate, and has not the Government the ght to dictate the tariff to you?—I have never found that in the concession. We ave the right to fix the tariffs, and the State has the right of expropriation.

Netherlands Railway has sole right of fixing railway rates.

I have always thought if the mining industry and the various other industries in

this country could come more often together and discuss matters, we would be able settle this difficulty. In the first instance, you take the tariff four or five years a when you started your railway, it was framed on a very small traffic?—Are you c cussing local or otherwise?

Original local rates of Netherlands Railway.

When I am speaking about five or six years ago it must be local; but althou the traffic has increased enormously you have not seen fit to reduce the tariffs to same extent at all?—You got a reduction in coal. You call it a small reduction don't. It was a reduction of at least 20 per cent.

20 per cent. reduction of railway rates on coal.

It was a small reduction, the traffic was very limited in the early days. In y supposition in your declaration about the carriage of coal, would it not better to reduce the tariff to an average of 18s. 6d. Is it not a fact that y dictate this 7·7d. to the Cape? If the Cape were to reduce their rates would you immediately raise your rates so that the Cape would not be a competitor of Dela Bay and Natal?—I do not know what I would do.

Possible increase of rates against Cape railways.

But you have done it?—No.

Sir James Sivewright said in his speech the other day that whatever the C reduced their rates by, the mining industry would not benefit by it?—Sir James Si wright spoke as a prophet and not as a man who quotes facts.

But have you not done it before?—No; there is a Green Book for 1895 wh contains the whole of the correspondence on the subject, and since that time there been no further correspondence on the subject.

Alleged raising of rates against Cape railways.

Komati Poort line not to be used to reduce port rates.

Now your line from Komati Poort to Johannesburg in conjunction with Delagoa Bay line can act, if you so wish it, as a lever upon the Natal and C Government lines. What prevents you from reducing these rates considerably order to make the Cape reduce its rates?—Because our policy is not to exercis leverage, but to act in conjunction with the railways of the Colony and the nei bouring States.

Your sentiments are to bring our goods as cheap as possible?—Why not?

Your actions have not proved it?—Because our motives are higher.

Are these motives higher dividends?—No, they are to keep pace with the r ways in South Africa. You must not forget these tariffs have been fixed ye before by the Government, when nobody knew of the surplus, such as we had year or this year.

Just so; that brings me down to the question I put before. These tariffs w fixed some years ago, when the extent of the gold mining industry in the Transv was not certain, but for the last two or three years the traffic has increased en mously, and so far we have not seen that you have paid any consideration to this reduced the rates?—Why should the railway company take the initiative? always heard, until a short time ago, of the enormous profits of the mining indus and the poorer mines have only been discovered quite recently. Why did not initiative come from the side of the industry?

I can answer that by saying that the mining industry, or rather the leaders the mining industry, had found out that the industry—and you must not take one two mines—was not as rich as we anticipated, and we have also become convin that our working expenses, compared with those in other countries, are abnorma high, owing to the concessions given by the Government.—If the mining indus discovered that lately, how could you expect the railway company to have fo it out?

Past representations of mining industry against Netherlands Railway rates.

It is not lately that we have discovered it. We have urged upon the Gove ment, the dynamite people, and the railway, the necessity of reducing tariffs.—Wh there was a question about the reduction in coal tarift—a reduction which I consid

important—was made, do not forget that the reduction in the coal tariff was the result of a conference at which the member for the First Raad for Johannesburg was present, and the coal mining industry was represented, and they were quite satisfied.

Reduction of railway rates on coal in 1896.

When did this reduction in the coal tariff take place?—1st July, 1896, and it was temporary at the request of the industry.

Since then you have opened your Charlestown and Delagoa Bay lines; of course first we had to see how these lines would work, but when they had a large margin of profit we expected you would reduce your rates.—We do not go on the question of sentiment, but on business.

Opening of Charlestown and Delagoa Bay lines.

I have no sentiment in the matter. As I have told you, if the Netherlands Rail-Company were a private company with a concession, they would be perfectly right to make as much profit as possible, but the industry looks to the Government for protection, and if the Railway Company is stubborn, and says we won't reduce the rates, then we are perfectly justified in requesting the Government to nationalise the railway, in order that we should get cheaper rates.—I don't dispute your right to ask it.

Netherlands Railway and Government right of expropriation.

I am not bringing sentiment into the question. I simply appeal to the Government, and say that the Netherlands Company are making this enormous profit, and won't reduce their rates; and the mining industry finds this burden too heavy. There have been many deep levels which have stopped work for want of funds, and from the fact that capitalists say they will not put another 6d. until the conditions on the fields are such as to make our work profitable, we do not want to work for the railway or the dynamite people. It is a matter of dire necessity that something must be done. The mining industry has to do its portion, and everybody else has to do their portion. I am surprised in your very able statement to find you draw a comparison between the Beira Railway and the Netherlands Railway in the matter of tariffs. Do you not think this railway will reduce its rates 50 and 75 per cent. when the traffic justifies it?—I do not indulge in prophecies.

Necessity of reforms for mining industry.

I will make a bet they will reduce them 60 per cent.

Witness said that when an industry was in its infancy, imposing killing tariffs was not the way to foster the industry.

It is a matter of opinion, Mr. Middleberg. If I had the administration of this country, I would run cheap railways to develop the country. It might be useful to show you a few comparisons between actual rates in the Transvaal and the maximum rates in Holland, also in England. From Vereeniging to Johannesburg we know it is 52 miles, from Volksrust it is 178 miles, and from Komaati Poort 341 miles. In the Transvaal, for mining machinery, it costs from the port 104s. to bring to Johannesburg; in Holland the maximum rate over the same distance, and on the same kind of goods, the cost is 11s. 3d. In England it is 31s. 8d. On iron and steel in South Africa it is 72s. 2d.; in Holland 11s., thus showing the great discrepancy between the railway rates in England, Holland, and South Africa.—If you will only go one step further, and apply the tariff of Holland and England to our tariff, not only will surplus interest disappear, but the State would have to pay a large sum into the railway.

Comparative railway rates in England, Holland, and South Africa.

I am only showing you the difference. I don't say it can be done.—What leads you to your conclusion?

I will give you the results of the earnings of certain railways. The revenue of the Transvaal is £4,775 per mile.—I cannot contradict it, because I have not the figures.

Revenue per mile of Netherlands Railway.

I am checking these figures by Mr. Gregson's book.—As regards the railway, that book has incorrect figures as a rule, and has to be taken with the greatest care. If you take our report you can depend upon it.

Railway revenue per mile in Natal, the Cape, India, and the United Kingdom.

The revenue per mile in the Transvaal is £4,775; in Natal, £2,825; in the Cape, £1,810; in India, £685; and in the United Kingdom, £3,844.—Everything is very cheap in Holland, and the circumstances are altogether different.

We must make an allowance for these things. I want to show you the enormously high rate charged here. Do you think it is necessary for the Commission to point that out to you—that your rates are very high?—I don't want to show the percentage. I want to show the surplus of profit, and that is the only sum which can be taken into account in a reduction of tariffs.

Surplus of profit of Netherlands Railway available for reduction of railway rates.

You say the Government gets 85 per cent. of the profits.—The Government and the Company together get a certain amount of surplus, and that is the basis on which you must go if you want to reduce the tariff.

That is quite so. But the Government get 85 per cent. You say the railway company shows a comparatively small income.—I refer to the amount of surplus that is available for the reduction of rates.

Economy of expropriation of railway.

But if the Government expropriate the railway?—They would have the same surplus as now.

Supposing the Government expropriate the railway, and paid you out?—Then the Government, unless wages are reduced, and they find material cheaper, cannot earn more than we are earning.

If the Government were to expropriate and issue debentures at 6 per cent., this would mean £435,000 interest on the working expenses for 1896, which were £1,237,000.—That is not correct.

In 1895, the total expense on the revenue was 43 per cent.; in 1894 it was 48 per cent. Is that correct?—I don't know for 1894, but for 1895 it is correct.

Percentage of working costs to revenue of Netherlands Railway for 1894 and 1895.

Very well, then, your revenue has increased, but your expenditure does not increase in proportion, so we can take 40 per cent.—From the figures here, I cannot say the exact amount of working expenses; but you have got the sum of £890,000 as surplus.

You see, it is somewhat difficult for me, as you have one set of figures and I have another. I base my figures on the expropriation of the railway by seeing how much the profit would be for last year. You have not got your figures, which is an unfortunate thing. With regard to the collection of customs at Delagoa Bay; does this amount go into the railway revenue? I understand that, according to the concession, you have got the right to charge 5 per cent. commission for collecting, and that the whole amount you collect goes as income to the railway?—Yes.

Collection of customs at Komati Poort.

Eighty-five per cent. goes to the Government. You take out your reserve fund, and you pay your shareholders a proportionate profit. It is not in the concession, or arrangement with the Government, that you should collect customs dues at Komati, and then charge 5 per cent. for collection fees. You simply take this as railway revenue?—I will read you the article in the concession.

Yes, please.—This is the portion of article 17: "Import, export, and transit duties on the Portuguese boundary, due for all goods transported by railway, including coal, are collected by and on behalf of the concessionaire, according to rules and regulations to be fixed in conjunction with the Railway Commissioner, or on instructions from the Government."

What instructions were given?—They are exactly the same instructions as are given to other collectors of customs at Komati Poort.

Revenue of Netherlannds Railway from collection of customs.

You have an income of £20,000 per month from this source alone?—The first concession was exactly the same as that between the Cape Colony and the Free State. The original concession between the Netherlands and the Government was that of the net profits, 50 per cent., having to go to the Government, and 50 per cent. to the company. When, in 1886, it became necessary, for financial reasons, to have betts

security than the Netherlands guaranteed the State, which at that time was not rich, that the interest should be increased from 50 per cent. to 85 per cent. At that time the collecting of import duty cost about 10 per cent.

History of concession of Netherlands Railway to collect customs.

You say that you know the cost per ton per mile on the Cape Railway is 1½d. or 2d. May I ask you when that was?—You will find it in the Cape Blue Book for 1892. It was in consequence of the tariff charged by the Cape Colony Government on rails and sleepers. I wanted 1½d. per ton, and the Commissioner told me the cost was 1·07d. Afterwards there was a Parliamentary Committee, and the cost was based by the Committee as 1·07d. as the net cost.

Cost of transport of goods per ton per mile on Cape railways.

It would have been cheaper to-day.—I have made the statement, and the cost in Cape Colony is not far from 1½d.

Do you make concessions with regard to your railway tariffs to merchants here in the shape of bonuses?—No; at the last conference in Pietermaritzburg we agreed that none of the railway companies should give any privileges for large consignments. The Cape Colony did for the transport of coal up to a short time ago, but it is now abolished. There is no privilege of any kind on our company.

Privileges for large consignments.

You did not give Lingham privileges, for instance?—In the year 1894 we made a contract with Lingham, and I have often explained the circumstances. We were then about opening the Delagoa Bay line without knowing the attitude of the other railways, and without knowing whether we should get any traffic. Then we assisted Mr. Lingham in the transport of really very large wood consignments for Delagoa Bay. We attained our object, and in March, 1896, that contract lapsed.

The "Lingham" contract.

Since then he has paid the same rate as anybody else?—There was a lot of privilege to Davies, whose wood the railway companies agreed to take at 40 lbs. the cubic feet instead of 52 lbs. Since then it has been increased to the usual rate. With regard to the Lingham contract, it has been said that the Netherlands Company have paid £60,000 to make the contract null and void. There is not a word of truth in that statement. The bonus got by Mr. Lingham according to contract did not by any means reach that figure, and no sum has been paid in order to cancel the contract. We, in conjunction with the English firm, have found a re-arrangement which has satisfied both parties.

The "Davies" privilege.

Is it true that the Netherlands Company forces the Cape to keep up transit dues on certain articles?—No; I would not know how to do it. In the Green Book you will find an interchange of telegrams at the beginning of 1894. During negotiations, transit duties were lowered by the Minister of Finance without any communication being made to me, upon which I asked information by telegraph whether such was true. But he must have made a mistake if he was under the impression that I should make any observation on the subject, and so far we have never used any pressure.

Transit dues on Cape railways.

You cannot tell us what was the approximate profit on your coal traffic?—I have stated to Mr. de Beer that I cannot give the exact revenue per ton per mile.

Profit on coal traffic.

Is there any objection to the coal companies having their own trucks?—Under certain cases you might have special wagons, if these are used between two fixed points. I know in England it is not customary to allow special wagons unless between fixed points.

Special railway wagons.

Chairman.

Must I understand, if we agree with the company to make a reduction in the existing tariff, that it would not be desirable to make such reductions until you have had a conference with the other States and Colonies?—If the Government should wish that we should break the amicable relations with the other States, I certainly would not take up politics myself.

Reduction of railway rates.

Co-operative action of South African railways desirable

I think it desirable that a conference should be held on that point.—That is my personal conviction.

Mr. *Brakhan.*

So far, the argument seems to me to be confined to the profit which the Netherlands Railway have been able to make out of the rates ruling from the traffic to the coast. Now, what I want to bring forward is this—that not alone the Netherlands Railway Company, but also the adjoining railways have to cut down their rates, and that, therefore, the benefit would, directly or indirectly, come to the mining industry. In connection with this, I would ask you whether, in case the Netherlands Company were to reduce their rates on the Delagoa line, whether in that case the other railway companies, to maintain the traffic, would also not be compelled to reduce their rates? —Certainly.

Reduction of railway rates of all South African lines necessary.

The Netherlands Railway can compel reduction of rates on all South African lines.

Therefore, if the Netherlands Railway Company were to call a conference of the railways in South Africa, and would insist on the rates being reduced, then the Natal and the Cape, which principally come into consideration, would also follow suit. I want to bring this out, and particularly to lay stress on it, that it is not alone the coal rates in which a reduction would benefit the mining industry, but principally the coast rates, because, if we don't have a reduction in rates from the coast, it seems to me almost excluded that any amelioration in the cost of living, not alone in Johannesburg, but in the whole of the Transvaal, would follow. As I have already said, an all round reduction on these coast rates, the amount which will be saved directly by the mining industry, and indirectly again by cheaper living, would accrue through the reduction in the revenue of the adjoining railways. Now, if you will allow me to point out the Cape never asked you to get a reduction, may I ask if the Netherlands asked the Cape or Natal for a reduction?—No; I gave a reason for that just now. There was no reason for it.

Reduction of through railway rates from ports necessary.

I express the opinion generally held, and, if I may be allowed to, give my personal opinion. Of course we know that in the coal rates some reductions have been made, but not on the coast rates, which is after all the material thing. You referred to the rates which are ruling on the section from Viljoen's Drift to Johannesburg as "fighting rates." I should like an explanation why you call these "fighting rates."—When the tariff for the Delagoa line was about to be fixed, we had a conference in Capetown, where a difference in Port Elizabeth and East London rates had been made, and to be secured of a certain guarantee of traffic, for the Delagoa line we wished to have a large difference. The Cape Administration wished the difference to be a very small one, in order to retain the bulk of the traffic from the Cape ports. Then I carried, against the wish of the Cape Administration, that the difference of the freight by Delagoa Bay should be about 15s. per ton, whereas the Cape wished for a much greater sum. If we were to place merit, then we might claim we are the people who made Delagoa Bay rates as light as they are. The Cape Administration then threatened to lower the tariff to such an extent, to come so low that under any circumstances they would have secured half of the traffic; the moment had arrived for us to take up our defence, and what the Cape had never thought, that one of the points of defence would be, and what would compel our share of the traffic from Viljoen's Drift, we established these fighting rates. Don't forget one point that you should not lose at all. The time when these tariffs were in existence there was no reason for creating opposition for us, and we then made them so that Delagoa Bay should secure for Delagoa Bay a fair share of the traffic.

"Fighting rates" from Viljoen's Drift to Johannesburg.

That may be so, but at the same time the general trade of the Transvaal was very much smaller than at the present time. Therefore, when the rates were quite

Increased traffic and reduction of railway rates.

called for at that time, there is quite room for a material reduction which would yet leave the company such a profit on its capital, and a share of the profit to the Government, which would be about on a par with the railway results at that time, say 2¼ years ago.—I have put that in my declaration very plainly.

I only wanted to bring out again that there is certainly room for bringing the rates down to a lower level,—Yes.

Railway rates from ports to Orange Free State.

Then you brought some examples as regards timber. You mentioned that the rate from Cape ports to Viljoen's Drift, for consumption in the Orange Free State, as higher than those rates paid on the timber traffic to Johannesburg. Now, don't you think that this is quite justified, or more than justified, in so far that the timber traffic from the coast to Johannesburg is infinitely larger than that up to Viljoen's Drift.—That also explains the carriage to Kimberley.

Kimberley railway rates.

I take it the Kimberley people themselves will look after this, also that the demands in this respect are not to be compared to Johannesburg.—Don't you forget that there is a great deal of wood used for the mines in Kimberley. Still, for the building of houses, why should people in Bloemfontein pay a higher rate than those in Kimberley?

Then people in Bloemfontein must bring pressure to bear on their Government, and the people in Cape Colony too. The argument hardly holds good in our case. It is a fact that the Rand here is an enormous customer of the railways in South Africa, and on that account they are entitled to consideration. Now, Mr. Middleberg, you have told us you have not the exact figures with you, but I should like to know, by a kind of calculating from the surplus, and by taking the receipts which you have said this morning were about £2,970,000, how to arrive at the various items which make up the difference. In taking the receipts at £2,970,000 we have to make the following reductions: The interest on bonds and redemptions I take to be £335,500. I put it in this way. Of course it is somewhat a smaller item, and some bonds are not redeemed. The guaranteed interest to shareholders is £66,000, that is 6 per cent. on 11,000,000 florins. That would be a total of £698,750. This, deducted from the £2,970,000, leaves £2,271,250. Now, you mention that the interest on the bonds which were issued for the Natal line—or, I ought to put it differently—for the Natal section, would increase the item to £335,000. Can you tell me about how much that would be?—I don't wish to commit myself to figures, which are at present being printed, and I would not speak from memory.

1896-1897 returns of Netherlands Railway.

In other points you give us figures, but do not give us the basis on which you arrive at them. It is possible for us, in discussing the whole matter, to arrive at a certain conclusion?—You can only compare the figures.

£800,000 Netherlands Railway surplus.

Then you cannot give us the basis on which you arrive at the £800,000 surplus?—No.

Dividend of Netherlands Railway for 1896.

We can only gather from the figures you submit to us, that the shareholders of the company for the year 1896 received 13⅓ per cent.?—I cannot say whether the figures are correct, but it is about that.

I have mentioned it, because I have not had any contradiction so far that the shareholders got 13⅓ per cent. That means that they got over and above the guaranteed interest of £66,250 another £89,000. The concession provides that one-third surplus which remains after the Government has received its share, shall be divided amongst the employees. That would come to about £44,500. You take then two-thirds for the directors and one-third for the remainder, that is about £15,000 and £30,000. Now I much regret I have not the basis to work, as regards the actual working expenses, because the figures before me, which I submitted to the Commission as evidence, show that if certain reductions took place in the rates, yet the shareholders

Bonus to *personnel* of Netherlands Railway

Estimated dividend of Netherlands Railway on reduction of rates.

would receive an 8½ per cent. dividend, which anyhow, in my opinion and generally, is considered a very good rate of interest.—If your figures are just and correct, it would be a very agreeable surprise, not alone to us, because that would show me that the figures would be too low and that agreeable suprise would show that the figures would be available to effect reductions, so that I really must express the hope that the figures prove to be correct, though I don't believe they are.

I have since found some inaccuracies so far as the rates in goods and passengers are concerned, as the duty has been included, but taking this into consideration, the figures are improved. But from the figures we now have before us, and which it is to be regretted, are incomplete, it would prove that yet a substantial surplus does exist, and these figures would also prove that the working expenses have not decreased in the ratio of the extension of the traffic, for whilst the proportion of the reduction of the working expenses in 1895 is about 43 per cent., they are most likely more for 1896.

Netherlands Railway holds key of position

Now, as regards the adjoining companies, if, as I hold, the Netherlands Railway calls a railway conference, and declares that they are going to lower their rates on the Delagoa Bay line, in consequence of the matter which has been brought before the Commission and from the Commission to the Government, then the Cape Government as well as the Natal will be compelled to also lower the rates in order to maintain their shares of the traffic. Now is there any agreement between the railway companies which prevents the Netherlands Company taking this step?—There is an agreement with the Natal Government published, and public property; there is an agreement with the Free State Government about an amicable arrangement of the tariff; and further, with the Portuguese Government regulating the shares and the freight; beyond that there is no fixed agreement.

Agreements of Netherlands Railway with other railways.

It would appear that this agreement does not prevent the Netherlands Company from coming forward with these proposals.—A proposal anyone can make, but whether such proposal be accepted is another question. There may be serious and weighty arguments for not accepting the proposal by the other party; I cannot say before the time comes.

The only reason I can see is that they would want to make an unjustifiable profit out of the traffic to the Rand.—You see the different railway administrations are entirely under the control of the different governments, consequently it is the governments of these different companies and their parliaments to say how far they will co-operate, or what pressure, in the other direction, to this Government they will give.

Government control of South African Colonial railways.

Netherlands Railway holds key of position

It would appear that the Netherlands Railway holds the key in their hands, and if they have the earnest will to help the mining industry here, not alone to maintain a great number of mines which at the present moment everyone knows cannot pay, but also to further the interests of the mining industry—if this desire exists on the part of the Netherlands, the situation can be materially altered. Then I have also read that semi-official declarations have been made in Capetown that, as far as the Cape is concerned, they are anxious to reduce the rates in order not to jeopardise the industry in this part. Therefore, you acknowledge the company could do a great deal in the matter.—If that should be, the Cape Government Railway is a philanthropic institution. There may be another explanation, that they are not satisfied with their share in the traffic. That, reading between the lines, I take to be a threat held out by the Cape Colony in the correspondence which is contained in the agreement, namely, in the declaration by Commissioner Laing.

South African railway situation.

That was in 1892.—The end of 1894; a couple of months before the opening of the Delagoa Bay line.

Don't you think the situation has greatly changed since then. At that time it would appear from your remarks that the Cape tried to do everything to stifle the

Netherlands Railway Company on its Delagoa Bay line, but now it has to reckon with it as an accomplished fact.—I would reply to that by a fact that has happened lately. When the Free State Railway was taken over by the Government of the Free State, the Cape seriously threatened to stop the entire traffic to this Republic, to compel the Free State to concede their demands. So that to think that the Cape Government administration would be ready to sacrifice everything for its philanthropical feelings towards this Republic or Johannesburg, is not borne out by the facts of later times.

Dispute between the Orange Free State and Cape railways.

I should say the Cape is less stimulated by philanthropic motives than by the reason that they see very well if these high rates are maintained they will be a much greater loser than by reducing the rates. If the traffic were to lose by about one-half of what it is at present, they would—having all their lines opened and having their money invested in them—lose much more than by reducing their rates materially. I think the same argument also holds in regard to the Netherlands.—I don't know what is in the minds of the Cape administration, but I only refer to the fact that a short time ago the Cape administration threatened to stop all traffic sooner than give in to the demands of the Free State. The object was to raise the share of the Cape administration to such an extent that there would be very little chance of traffic with the Transvaal unless the Free State gave in.

Yes, but they would have injured themselves, and I suppose it was only a little bit of bluff. The result has shown that the Free State got its own way.—Yes.

Mr. *Pierce.*

Are the railways in Holland owned by the State or by private companies?—One-half of the railways are owned by private companies and one-half are owned by the State, but exploited, or worked, by private companies.

Ownership of Dutch railways.

Were the half now belonging to the State originally State railways, or belonging to private companies?—They were built by the State.

And afterwards leased?—And afterwards leased to the company who worked it.

Are the railways generally on the continent owned by the State?—I cannot say the greater portion, but a considerable portion; the French only a small proportion, the German a greater proportion, and the Austrian a small proportion.

Ownership of continental railways.

Do the railways play an important part in those countries?—Like in this country, of course.

They are very useful in developing the country?—As you see here.

And the country and people are entitled to the railway for assistance?—As they always get.

We have been told that certain railways in Germany carry coal at rates which barely cover expenses. Is that in order to encourage mining in certain districts through which the railway passes?—The reason is more to be able to compete with foreign coal. In Hamburg and North Germany they only get a very low tariff for coal, in order to exclude English coal.

Railway rates on coal in Germany.

Can you tell us if goods are carried in Holland at special rates in order to foster industries?—Only small rates to ports, in order to get the through transport from ports.

Dutch special railway rates.

Still they do carry goods at very low rates in order to assist?—They carry at a rate which pays expenses and a certain interest. The great element in all railway tariffs is how much the population can carry.

It is not the object to get as much out of the industry as they can?—Well, in

English railway rates.

England it is that way. The only object is high dividends. That they do not succeed in making high dividends is not their fault.

Do you know that in England complaints have been made from time to time about the high rates of railways, and those rates have formed the subject of enquiry by the Board of Trade, with the result that the railway has been compelled to reduce them?—I don't know whether they were obliged to do so. I know about the passenger rates on the so-called Parliamentary trains, but that was a rate granted in their concessions by the companies to the Government. I don't know that the Government have compelled the railway companies to lower the rates on goods, or whether they are allowed by law to do so.

Status of Netherlands Railway.

Well, it is a fact that they have done so. Do you consider the Netherlands Railway a private company?—It is a quarrel about the name. You know the concession, and you know the articles of association.

Can you give any other instance of a so-called private company in which the Government is the largest shareholder, and whose debentures are guaranteed by the Government?—I cannot recall one just at the moment.

The position is a rather anomalous one. It is an unusual one, is it not?—No, I don't think the Italian railways differ very much from our system. Take the railways in the Netherlands, where the railway is the property of the State. The company who work the railway have a very small capital and consequently a very small risk.

Netherlands Railway and Transvaal commerce and agriculture.

They are the lessees of the railways, not the owners. Do you consider the Netherlands Railway has, through its rates an important influence on the development of the trade or industries of this country generally, agriculture as well as mining?—That is very probable, although I have not got an absolute certainty of that in my mind. I have noticed on repeated occasions that when taxes or railway rates have been reduced, no reduction takes place in the price of foodstuffs or goods in the retail trade. Is has repeatedly occurred that the lowering of taxes or tariffs simply puts more profit into the pockets of the middlemen, without a profit to the consumer.

That has not been the experience in other countries. From some instances given of the railways in other parts of the world, it appears that the rates charged in Holland are very low.—We have already discussed that this morning.

Low and high railway rates.

Do you consider low rates or high rates best calculated to assist the industry?—That question is not capable of a direct reply at once. I can imagine that a certain tariff existing gives a certain development to an industry, but the lowering of the railway tariff would not assist in any material way to foster such an industry as agriculture, because the only reason of the development is certainly not to be sought alone in railway rates.

Still it helps it. If the lowering of rates does not assist an industry, why is it that manufacturers and others are so anxious to get low rates?—I don't think in order to foster the industry, but for their own benefit.

Effects of a railway rates war

You say in your statement, in speaking of the tariff war, that this would have been greatly to the detriment of the whole of South Africa and its Governments. Would you give us an explanation of that. How would the Government suffer?—For instance, the mining industry is in a flourishing condition, as it has been up till the last six months—as it appears to have been up till the last six months.

Now, is it possible that, with a lower tariff, a great surplus might be paid out in the shape of dividends and bonuses, and a great deal might be sent to England?—The higher railway tariff gives the Cape Colony, Free State, Natal, and

this Republic the means to develop the country by the building of railways, the assisting of railways which do not pay, improving harbours, etc., etc. Then certainly the question is what is best for the entire community.

You say you could have induced a tariff war instead of stalling it off? It is evident that if the rates had been lowered, and so brought on a tariff war, somebody must have benefited. It could only have been the people here in this country. Therefore, by not bringing on this tariff war, and so getting reduced rates permanently, you have done the people of this country a very bad turn?—I don't agree with you there. I have never heard that the railway tariff war would have been of any permanent benefit to the people of this country. It would only have been of benefit to a few.

As a matter of fact, where a tariff war has taken place, rates have never returned to their old level?—I would ask, is that a benefit or is it a disadvantage? You only refer to the benefit to one particular industry. I argue from the broad standpoint of what is best for the whole community. I don't admit that the low tariff of railway rates is under every circumstance best for the whole Republic.

Well, many people think differently.—But I believe that many people are wrong.

Has the Netherlands Railway approached Natal and Cape Colony with a view to reducing rates?—No.

Reduction of through railway rates from ports.

If the Netherlands Railway were agreeable to reduce their rates from Vereeniging to Johannesburg—You see, I don't admit that the rate of 7·7d. is the tariff from Vereeniging to here. That was fully discussed this morning.

It might not be the tariff, but it is not denied that the Netherlands Railway receive it.—That has been already discussed this morning.

You do get it. There is no doubt about that.—I don't say yes or no. I simply refer to the discussion this morning.

Well, we will take it as a fact that they do get it. If the Netherlands were willing to reduce the rates to assist the industry, would it be open to them to reduce that charge?—That is only a matter of arrangement between the Cape Colonial Government and the Netherlands Railway. You can only mention the question of the reduction of tariff.

Yes, but I want to mention the tariff received by the Netherlands Company.—The only question you have to do with is the tariff you have to pay for carrying your goods. What the division is you have nothing to do with.

Well, as we have to pay for it, I think it does matter.—You don't pay it.

You don't deny that you get the proportion of that charge for through rates?—No, I don't deny that. That you will find in any tariff book.

If the Netherlands Company were willing to help the industry, could they not give up a portion of that?—I don't see why you should always come back to that point. I am prepared, as I said this morning, to co-operate towards a reduction.

Netherlands Railway willing to co-operate to reduce through railway rates from ports.

Well, that is satisfactory at any rate. You have heard that the Cape Government resolved to make a reduction of 6s. 8d. in the carriage of cement, and that the Netherlands Company induced them to withdraw the reduction by threatening to put on the difference at this end. Is there any truth in that?—I have been trying to get at the truth of that assertion. I have even asked Mr. Goldmann by letter, to put me on the trace of that rumour, but he has refused to give me the name of the informer. But I know I cannot trace a particle of truth in that statement. I know nothing of it.

Increase of railway rate on cement.

Is the rate charged on goods the same to all towns or points in the Transvaal; I have heard that the rate charged on goods to Heidelberg is the same as the rate charged to Johannesburg?—No, that is not a fact.

Differential railway rates on goods.

Overcharges.

It is also stated that in certain cases where goods are carried to places beyond the actual destination, the consignees are charged an overcharge. The Jumpers and Heriot had to pay carriage on goods to Johannesburg and back?—That might be true, because, perhaps, these goods had to be cleared for Customs in Johannesburg. But it is just as easy to consign the goods to Elandsfontein, and send them from there to the Jumpers. It might, too, be the fault of the agent at the port, who simply consigns to Johannesburg.

It is the fault of the consignors then?—In very many cases it would be.

Railway rates for bulky goods.

What justification is there for charging the same rate for large tanks and boilers, which occupy much cubic space, as for rails and girders, which occupy a small space?—That remark is very just. We have got in our tariffs an increased rate for bulky goods, but we have had to waive that because the other administrations have not got a similar charge. It ought to be done, but it is never done. We, for a long time, persisted in following a similar calculation for furniture, which is very light, but bulky, but have had to abandon it because the other administrations have not got a similar charge.

Has an effort been made to try and reduce them?—Discussion has taken place, but never a serious effort. The fear to introduce any novelty in the existing tariffs has kept them back.

Is it true that in Holland the rates for truck loads are very much smaller than the rates for lots?—There are cases where it happens.

What could the mining companies do to assist the railway to reduce expenses and make it possible to carry goods at lower rates?—I believe very little. I think in that way the railway has to look after itself.

"Fighting rates"

What do you mean by fighting rates?—A fighting rate is, for instance, a rate that is far below the real cost, and also the rate to places where competition exists. For instance, from Johannesburg to the Free State or Cape Colony.

Differential railway rates on goods.

There is no railway competition in the Transvaal?—No, but the tariff here is lower than to Bloemfontein, Kimberley, etc.

The fact that the rate to Kimberley is higher than the rate to here has been explained in another way.—And Bloemfontein?

I don't know about Bloemfontein. That concerns the Free State. It is a small community in Bloemfontein.—There is no reason to charge burghers more in a small place than in a big one.

Advantages to mines of reduction of railway rates.

You refer to the saving that would be effected. Do you consider, if the railway rates were lowered, that is all the benefit the mining industry would get?—That is all the State and the railway company would get.

Yes, but that is not all the mining industry expects to get. That is a very handsome sum itself, but, if the railway rates were reduced all round, including the Colonial rates, the mining industry would benefit to the extent of about three times that sum. Evidence has been given of the average pay of white miners. Can you tell me the average pay of European employees on the railway?—I cannot give you the average. The lower officials are paid about the same as in the mining industry. I also take into consideration that the railway has a surer income, and enjoys greater advantages than the mining industry.

Wages of European railway employees.

You think, then, the rate of pay to the railway employees is just about the same as paid to the mining industry?—Yes.

About what pay would these men get in Holland?—A man who gets £20 a month here would get in Holland from £100 to £125 per annum at the outside.

Differential railway rates on goods.

In reference to a question as to the rates to a place with a small population being higher than to a large town, witness said the question of population was no reason

why living should cost more in a small place. So far as he knew, that was not done in England. That was against every principle of a railway as a public institution. Every ratepayer would protest most earnestly to his representatives in Parliament against any privileges being granted in that manner to any large centres.

In other countries it generally happens there is competition in railways, but we have none here?—In some countries it is so, and in some it is not. In France and Germany there is no competition. They are all State railways, or big groups, which do not compete with one another. Railway competition.

The fact that there is no competition in some countries, Germany for instance, was one of the reasons the Government took over the railway?—I don't think that is one of the reasons.

It may not have been the sole reason, but it was one of them.—That is quite new to me.

Mr. *Albu.*

You say fighting rates are those which leave a very small margin to those running the railways?—I don't say that is in all circumstances a decided definition of fighting rates. "Fighting rates"

The Netherlands Railway is employing fighting rates at the present moment?—We are.

And when I look at the balance sheet, and find that you have got a million and a half revenue over your expenditure or working expenses, I think your fighting rates are very stiff.—And still leaves the opposition very healthy.

Yes, unfortunately, there is no opposition here. The unfortunate thing is that the industry pays these fighting rates.—Only within the last few months you have come to the conclusion there is something unhealthy about the industry.

Not for the last few months, but for the last five years. You have not seen that?—No.

The industry is so healthy that 185 companies have invested at par fully 85 millions, but a lot had been subscribed for at a high premium. I think the industry paid last year about a million and a half in dividends. Do you consider it healthy that the Netherlands railway, with a capital of one million, makes a profit of nearly a million. You have said our industry is a healthy one. I am proving it is not, and that yours is much more healthy than ours is.—I cannot say whether the situation is healthy or not. It is in the hands of the Commission. Dividends of mines and Netherlands Railway profits.

You have the key of the situation in your hands in Delagoa Bay. What prevents you from reducing the rates to such an extent that the traffic from Natal and Cape Colony would be threatened, and they would be thereby compelled to reduce too. What prevents you from doing that?—I just gave a very plain explanation of that to Mr. Pierce. If there was only one consideration in South Africa, namely, the industry of Johannesburg, then it would be quite easy, but other industries have also a right to be heard in the lowering of the tariffs. Netherlands Railway holds key of position. Rates of Delagoa Bay line.

I have lived 21 years in South Africa, and there is only one consideration and one industry in South Africa, and that is the Transvaal gold mines. There is nothing else in the whole of South Africa so far.—Then I suppose Natal and the Cape Colony would also appreciate that fact.

Yes, but so long as you keep the Delagoa Bay rate so high, just a little lower than the others, they won't lower it. Finding you have the key of the position you must reduce the tariff to such an extent that the Cape traffic is endangered and they will at once acquiesce.—Then the consequence will be certainly to your benefit, but to the detriment of whom?

Nobody.—If there was no agriculture or anything else but the mining industry, then certainly you are right.

Agriculture would profit immensely if the produce could be brought to the market, which is Johannesburg, and no other town. I don't see why you don't force the situation. By doing this you would support the whole industry, the industry of South Africa.—And if we do as we do at present we support the State. The Commission is here to give a reply to that. I have already said the result of that reply will certainly not excite any opposition from me.

As I have the honour to be a member of this Commission, although I may not be asked to be present when the report is handed in, I should like to know what prevents the Netherlands Railway from making use of the key which they have in their power?

Chairman.

You simply all go round the one point, and do not go any further.

Mr. *Albu.*

Yes, because I don't get a satisfactory answer.

Chairman.

Position and profits of Netherlands Railway.

The question is—what is the position of the railway, and what are the profits to-day?

Mr. *Albu.*

Then I cannot get even what the profits are.

Chairman.

We want to find out in what way the mines are oppressed, and to take all particulars. Then it is for the Commission to come together to discuss the different points and frame their report.

Mr. *Albu.*

Yes, but I have not been able to find out what the profits are.

Chairman.

Mr. Middelberg has promised us this morning that before the report is made up by the Commission, he will hand in the official report for 1896, which is not yet in his hands.

Witness.] I have given the profits. The only things I cannot supply are those particulars which are not yet fixed.

Mr. *Albu.*

Thank you very much.

Mr. *Hay.*

Conditions for reduction of railway rates.

As far as I understand, the position is this: a reduction in the tariff depends upon practically the extension or alteration of the concession which you have.—No, that is not correct.

Do I understand that means an extension of time?—It means that, supposing the Volksraad this session resolved to expropriate the railway, then we could not possibly give a lower tariff.

If the Government agreed to take it over, according to the agreement, they would have to give a year's notice, and the tariff would remain as it is?—Up to the end of next year.

If we go to the Netherlands Railway as a company, and ask them to reduce the tariff, would they want an alteration in their concession?—No, the concession fixes the maximum tariffs.

The question is, here there is a surplus which, Mr. Middelberg says, would be given away by the Government, of £500,000. But if the tariff was reduced—the passengers and goods exactly the same—then the revenue would be reduced, and therefore the profit accruing to the shareholder would be naturally less. Do I understand that Mr. Middelberg would be agreeable, as far as he can speak, to a general reduction?—Yes.

Mr. Middelberg agreeable to a general reduction of railway rates.

Then the point put us by the different people who have given evidence is that a small proportion of the mining companies pay dividends, and a large proportion of them pay nothing, and if many of them cannot effect a reduction in the cost of working, then they must close down the mines. If that occurs, then the revenue of the railway would be reduced. Therefore, it is to the interest of the railway to have as many companies at work as possible, and, therefore, if the reduction of the tariff would ensure the working of the whole of the mines and the opening of mines which are not at work, it might probably make up the profit which they gave away by the reduction of tariff.—That is a thing which theoretically seems to be quite correct, but to which we are not accustomed yet in South Africa. Here there has always been an increase, even in this last month of so-called depression. We have always had an increase in the receipts, so the subject for me—that is, during the last year—has never been what I had to do supposing traffic should diminish, but always what I had to do to cope with the increase. So I never trouble very much about the dark future or the thought that in case it were realised there would be a great retrocession of business.

Increased receipts of Netherlands Railway.

The evidence we have had is that a large number of mines must close down unless they can work at a profit.—I cannot see the result of that yet within my narrow horizon.

But Mr. Middelberg must see that it must come about.—It is quite possible.

The gold produced last year is only worth seven millions, and the profits of the Netherlands, the Cape, and Natal Railways comes to nearly half that.—So the result is that the Cape Colony, Free State, Natal, and this Republic get a good share of the gold, which I think is a very happy sign.

Profits of Cape, Natal, and Netherlands railways.

If the railway people are to get all the profit, how can the mines live?—I have been asking myself that question for the last two or three years.

One question in regard to the carrying of coal in bulk. What are the charges for a siding?—The charges for sidings are that the company pays for the construction, and for every truck or wagon used on the siding, 4s.

Sidings.

Then the responsibility of the engine rests with the company that makes the siding whether an accident be the fault of the Netherlands or not?—That has to be proved first.

The question of the railway tariff is simply that the Netherlands must decide to reduce their tariff, and the Cape and Natal lines are compelled to do so. You, Mr. Middelberg, are a man of long experience, and we have only a superficial knowledge. Perhaps you will be able to advise us on what points reductions can be made. I have here a number of questions which I wish to put, and these I can hand to Mr. Middelberg, and also a copy to the Commission, and this will save going through them, as that would take too long.

Netherlands Railway holds key of position

This arrangement was agreed upon.

Mr. *Brakhan.*

I should like to have a little information about the following passage, which appears in your statement:—"I can only speak of the share which the company

receives, and I, for myself, can declare that, should the Government consider that we by continuance served to work the line, and should the assurance be obtained, we would have no objection to meet the wishes of the Government." Are we to understand from this that the Netherlands Railway Company will make a reduction of rates in case the State foregoes for a certain period the right to expropriate the railway?—That would be a matter for negotiation with the Government. What I wanted to express is that if the railway company, according to the desire of the Johannesburg mining industry, is expropriated this year—and one cannot expect that without compensation—the amount for expropriation would be considerably lower.

Conditions for reduction of railway rates.

If the Government think it wise to enter into this arrangement, the Government would deprive itself of or forego the benefits which would acrue to it from expropriation until such time as is decided upon?—Certainly.

I was desirous of having this point clear, because I think it is a very important matter for the welfare of the State in throwing light on the question of expropriation. Because if this arrangement, as suggested, were to be entered into, the Netherlands Railway Company would have absolute power later on.—I cannot agree with your last conclusion. I do not see how the Railway Company can at any time acquire power to do what they like.

I do not mean to convey that in a very broad sense.—Within a narrow sense it would not apply.

It would in so far that the Government would never be satisfied with the profit they get out of it, whereas if expropriation should take place at any time with one year's notice, the benefits might be much larger?—It is for the Government to judge of the benefits of immediate expropriation, or if expropriation be postponed.

Expropriation of railway.

Notice of expropriation of railway.

I read in Article 27 that notice of expropriation can be given at any time.—Notice can be given at any time, but it must run for a calendar year.

Is it so expressed in the concession?—No, there is a correspondence settling that point.

Mr. *Brochon.*

Railway rates.

Yesterday you said that in case of a mine not paying dividends for three years you would be willing to meet them by a restitution of rates. Is that correct?—Yes.

By acting so it will be a rather late remedy.—It is for this Commission to make a recommendation on that point.

Still I am pleased to learn of the disposition on the part of the Railway to make this reduction.

Mr. *Hugo.*

Cost of expropriation of railway.

Yesterday, in reply to a question put by Mr. Albu, you stated that if the Government went in for expropriation that about 150 per cent. would have to be paid.—No; 150 per cent. above par.

It would mean about £250 per share.—The calculation is very easy to make. Let us estimate that the extraordinary dividend above the guaranteed interest is taken on a three years' average at 6 per cent. Then take it that all shares are 6 per cent. shares; then average the dividend for the last three years, and that would be 12 per cent. Twelve times 20 is 240, and add to that 1 per cent. for each year from 1898 to 1915, *i.e.* 17 per cent., then you get the figure of 257 per cent.

That is if the Government expropriate the railway at the end of 1898?—Yes.

Railway rates on coal.

With reference to the coal, the average cost of transport is about 3d. per ton per mile?—From Springs to Johannesburg a little over 2d. is charged. It is a sliding

scale in conjunction with the coal mine to give the Brugspruit and Balmoral collieries a chance to carry their coal.

May I ask what you would suggest as a reduction on that tariff?—As to the question of how much coal rates can be reduced, it would depend on other tariffs. By a reduction of 1s. per ton, the loss, reckoned on last month's returns, would be £4,400, and you always have to make the reduction in such a manner that the difference between the price of carriage between Springs remains what it is at present, otherwise it would be a great disadvantage, and a great injustice to mines brought into life under the present arrangement. Reduction of railway rates on coal.

The mining industry complain that they have to carry their coal in bags, and not in bulk.—I cannot understand where the accusation comes from. We do everything in our power to encourage carrying coal in bulk. As I have said, at the present moment one of the mines that has not got a siding is trying to carry its coal in bulk. Traffic of coal in bags.

What is the local tariff between here and Vereeniging?—It is 6d. for ordinary goods, and 3d. per ton for rough goods. Vereeniging and Johannesburg local railway rates.

The industry has promised us, and if the Government will assist us in getting this reduction they will endeavour to reduce their expenses. Isn't it possible for the railway company to reduce your working expenses, or are the present expenses as low as they can possibly be?—The present working expenses are as low as they can be under present circumstances. Reduction of Netherlands Railway working costs.

Mr. *Smit.*

You mean to say that if the profits of the railway remain as at present the cost of expropriation would be less every year?—One per cent. less every year. Cost of expropriation of railway.

And the concession has still got to run eighteen years?—Yes. Length of Netherlands Railway concession.

Mr. Fitzpatrick has stated that several lines have had to wait on account of the plans having had to go to Holland?—That statement is entirely incorrect. No plan has ever been sent to Holland to be judged upon, the only exception to this being the railway station here, which was worked out by an architect in Europe. Dutch control of Netherlands Railway works

It was stated by Mr. Fitzpatrick that there was a profit of £1,300,000?—It will very soon be seen from the printed report that the figure I have given is the correct one. Profits of Netherlands Railway for 1896.

The reserve fund is £290,000; the public would like to know what became of it.—The reserve fund fund goes to building stations, laying double lines, buying rolling stock, and, further, the expenses of each line—as laid down by the concession—is not debited to capital account, but is taken from the reserve fund, which is fed from the revenue. This is a sound stipulation in the concession, as under it the Government, on expropriation, gets value which is far and above the original cost of the railway and improvements. Take, for instance, that in ten years that every year £300,000—to quote round figures—is taken, that is £3,000,000. This is used to improve the railway and for doubling lines, so that the railway gets a larger value, and the portion of the £3,000,000 not being used for that purpose remains in the reserve fund and goes back to the Government without any reduction. Reserve fund of Netherlands Railway.

Was the reserve fund last year sufficient?—It was sufficient for the rail extension in South Africa, but it has not been sufficient for the large increase of rolling stock. Therefore, the Volksraad have approved of a loan which will have to be repaid by the reserve fund itself.

Mr. Robinson has stated here that he has taken a lot of trouble to get a siding at one of his mines and could not get it.—I have tried to find out which is alluded to. Mr. Robinson has many mines and I don't know of any refusal to give him a siding. I know of a case where, after a long correspondence and a lot of trouble being taken, Sidings.

the idea was relinquished. Perhaps Mr. Robinson refers to the correspondence of a couple of years ago to make sidings for a group of mines—the Langlaagte Royal and Block B—where bigger efforts would be made to put coal in trucks to allow the wagons to go up to the mines. But that was dropped by these mines.

Pretoria railway conference—Cape railways' proposals.

At the Railway Conference at Pretoria a little time ago, can you tell me why no arrangement was come to about the tariff, etc.?—The reason was that, notwithstanding the promise of the Premier of the Cape Ministry, the delegates from the Cape Railway asked for a much bigger share of the traffic for themselves than any of the other railway companies were prepared to give. The Cape Railways wanted half of the traffic oversea to come over the Cape lines, and besides that the Cape line should get a bigger share of the traffic between the port and Johannesburg—*pro rata* to the length of their line. That proposal, worked out, came to this, that the Cape would have half of the oversea traffic, and that the goods would have to be carried from Mid-Vaal River to Johannesburg free of charge. It was clear that the proposal was made because the delegates did not wish to go home without making some proposal.

Is it a fact the Cape wanted three-fifths, and wanted to give the other railways two-fifths?—The Cape has tried to get everything. I know that some time ago Mr. Laing, Commissioner, thought he would be satisfied with half, but he afterwards thought he went too far.

The railway administrations could not agree to take two-fifths between them?—It was ridiculous.

Mr. *Joubert.*

Conditions of expropriation of railway.

In the concession it is left to the Government to expropriate the railway whenever they think fit?—Yes.

Under what conditions can the Government expropriate?—The railway is to be liquidated, has to pay all its liabilities and receive all its assets, must pay all its loans, and the money wanted for that purpose must be handed over by the State, and the shareholders will receive 20 times the average dividend for the last three years, plus 1 per cent. for each year that the expropriation takes place before 1915.

What constitutes the dividend?—The dividend is formed as follows: Interest is guaranteed on the shares at 6 and 4½ per cent., and there is an extra dividend of 1 per cent. out of the surplus, but that has never been paid except in 1895, when it was 3 per cent.

The dividend comes out of the revenue?—Of course.

If reductions were made in the tariff, and the railway was expropriated, would not the reduction be far more than 1 per cent.?—Undoubtedly, if the revenue gets less, the expropriation price is less.

Mr. *Pierce.*

Off-loading of coal in bulk.

You said your company is now trying experiments to have coal off-loaded in bulk. What company is it?—The George Goch.

How long have you been trying the experiments?—Works are being constructed which will make it possible.

Then you have not tried experiments yet?—Not yet.

Questions for Netherlands South African Railway Company,

Handed to Mr. MIDDELBERG *by* Mr. HAY, *with the answers thereto.*

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1. Have the regulations of your company, on the strength of which you accept goods for forwarding, been passed by the Volksraad or only by a Committee of the Executive appointed for that purpose? Authority for Netherlands Railway Regulations.

I consider that the regulations are authorised by the Honourable Volksraad.

2. Is it a fact that on the strength of these regulations you repudiate liability for total loss of goods which you carry at a reduced rate, such as deals, iron, etc.? Liability of Netherlands Railway for loss of Goods.

No.

3. Is it not a fact that your regulations endeavour to contract you out of all liability for damage and loss?

No.

4. Has this position of yours ever been contested in a court of law in the Transvaal?

Yes.

5. Are you aware that in all other civilised countries, innumerable cases for loss have been decided against the Railway Companies, notwithstanding clauses having been inserted to the effect of exempting the Railway?

No; our case stands wholly on the basis of sound legislation.

6 (*a*). Do you invariably shield yourself under the "Owner's Risk" clause, when unable to trace or deliver goods handed to you for transit under that clause? "Owners' Risk" on Netherlands Railway.

(*b*). Have you lost whole truck loads of goods and refused to pay compensation for such loss?

(*c*). Do you contemplate any alteration in the conditions under which you carry goods at the so-called "Owner's Risk" rates?

(*d*). How do you account for the frequent losses of goods carried at the so-called "Owner's Risk" rates?

(*a*—*b*). No, certainly not.

(*c*). I intend when eventually altering the tariff to abolish "Owner's Risk."

(*d*). I know nothing about it.

7. It is a fact that your regulations shield you from claims for loss for any value beyond 1s. per pound? Liability of Netherlands Railway for loss of Goods.

When classifying for rates does not the higher rate cover such risk, and therefore you should be liable for losses?

Yes, but everyone is free to insure for a higher value.

8. Are there not constant complaints of the delay given by your Company in deciding on claims for loss and damage? Delay in deciding Claims for Loss and Damage.

No more than of any other railway.

9. Does your Company refund the railage, if paid in advance, on goods lost whilst in transit? Refund of Railage on Lost Goods.

N.B.—The Company fails to deliver the goods; declines to admit claims for such goods, but yet retains the amount paid for carriage.

Yes.

10. Do you not think that this part of your regulations is manifestly unfair to the public, who are thereby placed absolutely at the mercy of the Railway Company?

No.

Refusal of Trucks at Delagoa Bay.

11. Is it not a fact that trucks have been refused to forwarding agents a Delagoa Bay, unless they signed the clause exempting the Railway from shortage an damage?

It is a mattter that concerns the Portuguese authorities. I do not, however, believ that the statement is correct.

Inspection of Consignments by Consignee before Signature of Receipt

12. Do you consider it fair to the consignee that he should sign for consignmen to be delivered to sidings, before having had an opportunity of checking the goods?

This does not occur. There is always an opportunity of seeing the goods. Onl on private sidings this can cause difficulties. I see no help for it.

Liability of Netherlands Railway for loss of Goods.

13. Is it not a fact that in cases where a discrepancy is discovered, that you pr duce the clear receipt and shield yourself under this and repudiate liability for th deficiency?

Naturally.

Receipts for consignments.

14. When consignments of a truck load and more are being delivered Johannesburg station, do you decline to give receipts for the separate trolley load Merchants report that you decline to give such receipts and will only sign after th consignment is completed. Evidence can be produced that the Company declines give receipts for each trolley load and afterwards disputes the total quantity.

No, we sign for receipt of portions of consignments.

Receipts for small consignments.

15. Does not your Company refuse to give proper receipts for small consig ments? It is stated that instances can be given where several parcels have been se to the station at the same time and the Company make a jotting of the charges on o delivery note only, initial that note, and positively decline to give any other receip Is not this a contrast to your practice in taking receipts?

Whenever a receipt is asked for we sign one.

Charges for demurrage.

16. Do you consider it a fair charge for demurrage to levy double the ra charged you by the Cape Railway Department? [*Vide* Chamber of Mines Report, p. 5

No.

Use of the Dutch language on the Netherlands Railway.

17. Are you aware of the disadvantage to the mercantile community in co ducting your business in the Dutch language?

18. Are you aware that only a very small minority of the mercantile firms wh aré members of the Chamber of Commerce and Mercantile Association, understan Dutch, and the majority have to employ translators to enable them to understand you letters and notices?

19. Are you aware that the staff at Johannesburg is at a constant disadvantage in carrying on its work through not being able to understand the mercantile language of the community?

(To 17, 18, 19). Yes. One cannot insist too much on the importance of learning foreign languages and especially the vernacular.

Refusal of initialled cheques as payment for Railage.

20. Did you refuse initialed cheques in payment of railage charges?

No.

Payment of Railage in Coin.

21. Did you insist on payment of railage in coin at the Johannesburg station?

22. Was not this a serious difficulty to the consignees and to your department?

23. Was not this regulation to insist upon payments in coin a serious risk, both to consignees and the Company?

(To 21, 22, 23). No. It does not exist.

Netherlands Railway rates.

24. Note.—Refer to Chamber of Mines Railway Report, p. 2, *re* rates per various systems. What justification is there for the excessive rates charged by your administration?

Refer to p. 5 of Chamber of Mines Report, Cape Railways carry South African produce at ½d. per ton per mile.

Cape Railways carry			South African produce at		...	...	½d.
"	"	"	imported	"	...	...	1d.
O. F. S.	"	"	South African	"	...	...	½d.
"	"	"	imported	"	...	...	2d.
N. Z. A. S. M.		"	all produce at	...	...	...	$3\frac{1}{13}$d.

—What reason has your Company for charging the extra rate?

The report of the Chamber of Mines errs altogether as has been fully shown, and is in this respect quite inaccurate.

25. The delivery charges on packages over 3,000 lbs. weight is 3d. per 100 lbs. Why is a rebate not allowed for the 3,000 lbs. which is already paid for in the railage, and the charge only levied on the weight over and above the 3,000 lbs. maximum according to the regulations? Delivery charges

It is my intention to extend considerably the limits of the delivery service.

26. Did you have a special contract with Mr. F. R. Lingham, by which he had a preference of 20 per cent. in rate over other importers? What amount was paid in compensation to Mr. Lingham to secure the cancellation of the contract? The "Lingham" contract.

27. Had you a similar contract with Mr. Davies? Did you transport "karri" timber at over 30 per cent. under the actual weight? Mr. Davies' contract.

28. What was the reason for giving the parties named preference over other timber importers?

(To 26, 27, 28). The questions were fully dealt with before the Commission.

29. Do you consider your employees are experienced railway men? Experience of employees.

Naturally, if the circumstances are taken into consideration.

30. Have they had previous railway experience or have they only gained it here?

All the *personnel?* No. A large portion? Yes.

31. Importers of produce suffer considerable loss through shortage. Recently, one of your head officials was charged before the Landdrost with having taken certain quantities of produce, but was acquitted on the ground that these were *sweepings.* Do your regulations permit your officials to remove goods in this manner belonging to consignees? Shortage of goods.

No.

32. Drapers and similar traders complain of your Company taking from 10 to 12 days to deliver goods, after the truck has arrived at station here. Cannot you expedite such deliveries? Delay in delivery of goods.

Incorrect.

33. There are serious complaints regarding the delays in transit and delivery of live stock, causing these to arrive here in a deplorable condition. Delay in transit and delivery of live-stock.

The fault lies almost exclusively with the consignors.

It is reported that poultry consignments are treated in a similar fashion, and a case happened the other day where some crates of fowls were put on the delivery wagon over-night, left out in the cold and wet, and in consequence between 20 and 30 were dead next morning. Can you not make some arrangements by which such cruelty and loss could be avoided?

The statements are completely incorrect.

You compared rail rates to Johannesburg with those to Kimberley for dynamite—the Cape charge is 2nd class rate. Does not Kimberley submit to the high Kimberley Railway rates.

rates to Kimberley on all goods and also the high duty on dynamite of 12s. 6d. per case as a set off against any tax on diamonds, and also supports Colonial coal mines for the same reason, and therefore is not comparison quite upon different conditions?

Rates to Mochudi—normal goods, distance from Port Elizabeth, 832 miles, rate 9s. 4d. per 100 lbs.; Port Elizabeth to Johannesburg, 714 miles, rate 8s. 1d. per 100 lbs.; timber 5s. 8d. against 5s. 3d. per 100 lbs.; reasonable difference for extra distance and the fact that all coal has to be carried such long distances, and again the tonnage carried is infinitesimal as compared with that to Johannesburg.

The rate to Mochudi has nothing to do with the argument that I have advanced in reference thereto.

Rates of Netherlands and Beira Railways

Is not the comparison of N.Z.A.S.M. rates with those on the Beira Railway altogether on different local conditions?

Mr. W. C. Thomson's evidence.

MR. W. C. THOMSON, merchant, then made the following statement:

Blasting materials. The Transvaal dynamite monopoly.

My object in offering evidence before this honourable Commission is to show that the economic conditions of mining would be materially enhanced were the Government to realise and legislatively recognise the fact that forms of blasting material, other than composed of nitro-glycerine, are in successful use in other mining centres throughout the world. The Transvaal dynamite monopoly, which has practically been in existence for eight years, is responsible for retarding the introduction of a class of explosives that would have performed a large proportion of the work done on the Rand and elsewhere within the State, in an economical and satisfactory manner without the faintest shadow of risk from accidental explosions. It may be said that this enquiry is only concerned with the pounds, shillings and pence aspect of the question. It must, however, without doubt, be acknowledged that economical conditions of working are influenced by considerations quite apart from mere cost price. The loss to the country from the dynamite monopoly is far beyond any figures that have been laid before your honourable body. When we take into account the thousands of lives that have been sacrificed, and the enormous value of property destroyed; when we reckon the loss of time caused by these constantly recurring accidents from dynamite or gelatine cartridges left unexploded in drill holes, and the daily delays from noxious fumes—and all in spite of the most stringent regulations that the mining authorities can devise—it will be found that the loss resulting from the employment of nitro-glycerine compounds has to be reckoned, not by hundreds of thousands, but by millions of pounds sterling. I do not for one moment mean to say that the quality of the dynamite and gelatine supplied by the Government contractors is not as good as can be bought in any other part of the world; but I do urge the honest recognition in our industrial legislation of the unquestionable fact that all nitro-glycerine explosives are intrinsically dangerous. My contention is, briefly, that had there been no monopoly, the Rand, and other mining centres within the State, might have been supplied with the best and cheapest and safest blasting material procurable. New inventions, if worthy of encouragement, would have had a chance of being adopted. Inventors in the region of chemistry would have been stimulated to fresh discoveries for the benefit of the industry, and consequently of the State; and with the healthy competition that would have ensued, there might have been a reasonable chance of preventing the growth, to its present dangerous dimensions, of that greater monopoly or ring, known by the name of "Nobel's Dynamite Trust," in whose hands the Transvaal monopoly practically now is. The object of this ring is well known to be the strangling of all competition in whatever part of the world it can exercise its influence; not so much the competition arising from the makers of dynamite outside the ring (who are easily reduced to submission)

Deaths and losses through dynamite.

Quality of Transvaal dynamite.

Disadvantages of dynamite monopoly.

"Nobel's dynamite trust."

nt the suppression, by every means possible, of such improved modes of blasting s threaten to interfere with their interests. In spite, however, of this powerful ntagonism, there is an explosive, or rather a blasting compound (for it is not y itself explosible, like powder, dynamite or gelatine), that has made very conderable headway in many parts of the world, notably in Germany, Spain, England, 'anada, British Columbia, Australia, India, and the Cape Colony. The material is alled roburite, and since its first introduction, before the granting of the Lippert 'oncession, not one life has been lost by its accidental explosion, for the reason that uch a thing is impossible. The proved safety of this class of blasting material has een wisely recognised in South Africa by the Government of the Cape Colony, by the unicipal authorities of Port Elizabeth, and by the Harbour Boards of the more nportant seaports. It is manufactured without restriction in Port Elizabeth, carried n the Cape Railways as ordinary merchandise, and shipped from one port to another s ordinary freight. These privileges were not obtained until the most searching test ad been made, and reported upon by the Government chemist and analyst, and conincing proofs afforded by demonstrations in presence of practical experts as to bsolute safety. Patent rights for roburite were granted at Pretoria in 1890, but up ill now the terms of the dynamite monoply have prevented either the manufacture or he sale within the Transvaal of any blasting materials of this class. Besides assuring he incalculable advantages of safety and the innocuousness of its fumes, roburite ould be sold at from one-half to two-thirds of the present prices of the explosives ow in use. The employment of blasting materials of this class, by doing away with ccidents, would naturally have the effect of inspiring native boys, as well as white niners, with more confidence in their work; and the withdrawal of labour by reason of oss of life and limb of hundreds of workers being put an end to, labour would necessarily ecome the more plentiful, and by so much the cheaper. One of the most serious bstacles to the increase in the number of native labourers for the mines, is the nvincible repugnance of all the Zulu speaking races and of many of the most intellient and industrious Basuto races to work underground. Those familiar with he native character and modes of thought will agree that this repugnance has its rigin primarily in the deleterious fumes and in the terrible accidents inseparable rom the use of nitro-glycerine explosives; and the majority of them unite in thinking hat the elimination of these two serious drawbacks to underground work would nquestionably, within a short time, tempt thousands of natives (who are now so irmly prejudiced against this most important department of labour) to abandon their ot unnatural attitude. It must, therefore, be clear to minds of the meanest capacity hat the cancellation of the present dynamite monopoly—or at least the removal of all egal obstacles to the importation and use of other classes of blasting materials—would enefit the mining industry, not only by the certain prevention of accidents in those nines which decided to abandon the use of nitro-glycerine explosives, and by the great aving of time assured by the absence of noxious fumes after blasting, but also by the ertain large increase in the number of natives willing to work underground, and by he reduction of wages naturally following such competition. There is no doubt hat, for some purposes, many miners would still prefer gelatine, and there is no uestion whatever as to its efficacy; but wherever any blasting material less, highly concentrated is considered suitable, such as dynamite or black powder the class represented by roburite would undoubtedly be at once preferred. Possibly one-half of the work performed in gold and coal mining, and certainly all the work of prospecting and quarrying, could be better performed in safety than by dangerous explosives, and at infinitely less cost; and no doubt when prejudice has been overcome, and experience has been gained by continual practice, it will be found that all blasting

Roburite.

Safety of roburite.

Manufacture and transport of roburite.

Roburite patent.

Price of roburite.

Advantages of employment of roburite.

Free trade in blasting materials.

Low-power explosives.

Safe and dangerous explosives.

operations may be carried out without the employment of dangerous explosive will hardly be necessary to dwell long upon the havoc that has been wrought t limb, and property by explosives of the nitro-glycerine class. Every gentleman o Commission is familiar with the terrible calamity that occurred here 15 month which cost the country hundreds of lives and hundreds of thousands of pounds; the destruction of the town of Santander in Spain a year or two ago, when (thousand lives were sacrificed; with the many disastrous explosions in Kimberl years past; with the recent Langlaagte Deep calamity (which proved the c nature of nitro-glycerince fumes, by causing the death of 32 human beings in minutes), and with the tale of victims furnished us by the newspapers with sick regularity. Rules and regulations cannot possibly be framed to prevent occurrences. Only a few weeks ago in one of the most rigidly regulated dyn factories in the world (Nobel's, at Ardeer, in Scotland), five men, including the re chemist, were blown to atoms, the only trace of remains recovered being a shi adhering to a piece of human flesh. I have endeavoured to obtain statistics fro books of the mining inspectors, but have been informed that because of official in tions received from Pretoria, they were debarred from affording any informatio had not already been published. The report for last year not being as yet in p had therefore to fall back on the report for 1895, by which it appears that 78 were killed and 113 more or less injured. Judging by the casualties recorded i Boksburg district inspector's book for 1896 (the only one to which access was o able), viz., 44 killed and 59 wounded last year, it may safely be assumed th deaths and injuries on the Rand mines from this preventible cause, will be quite c what they were in 1895. Nearly three-fourths of the recorded accidents were c by natives drilling into or close to holes in which unexploded cartridges still lay. casualties of the present year bid fair to exceed those of any previous one, for, d the week of the Langlaagte Deep accident, according to newspaper reports, abc deaths, to say nothing of mutilations, were recorded. With whatever fault stra may tax our legislators, I do not think that the charge of inhumanity can be l their door; and I feel certain that it is only necessary to bring the facts I have prominently before their notice, in order that they may take steps to thoro investigate this matter, with the aid and advice of others than those interested i maintenance of the dynamite monopoly. By permission to allow fair trade in bl materials which do not contain nitro-glycerine, the lot of those who form the mai of the country's prosperity may be ameliorated at an actual financial gain to the At the same time the additional safety of the lives and property of the inhabitant be assured by abolishing the monopoly in dynamite, or, at least, by providing f introduction of the class of safety blasting materials to which I have referred. can afford this honourable Commission any further information on the subject I be glad to answer such questions as may be put.

Casualties through nitro-glycerine explosives.

Introduction of safe explosives

Chairman.

When did roburite become known?—It was invented in 1886.

Invention of roburite.

If it is so very good, why should it not be used instead of dynamite?—I c answer for the mines. As I have mentioned in my declaration, Nobel's Dynamite is a very widespread organisation. I believe their capital is something lik millions, and this dynamite trust has prevented anything of a new nature coming the market that would injure the interests of this monopoly. Another reason tha not generally used is that miners are very conservative in regard to explosive took about 12 or 13 years from the introduction of dynamite before miners would to it. They used to employ black powder, and then there was no ring or monop

Why roburite is not more used.

prevent the introduction of dynamite as there is now to hinder the adoption of newer methods of blasting. In various parts of the world where mining is carried on I can produce documentary evidence to prove that, in spite of this opposition, roburite has been preferred. Of course in many places where there is a large consumption of explosives, the tactics of Nobel's Trust is sufficient to wreck anything but a strong company. The principal reason why miners in the Transvaal know very little about roburite is simply because they have been forbidden to import it, even in small quantities. Five years ago I had a small quantity, and I was trying experiments at some of the mines. A complaint was sent by the concessionaires to Pretoria that I was importing this against the law, and I was ordered to appear before the Chief of the Customs to give an explanation. If the Government would permit trials to take place, I am perfectly certain that I would convince not only the Government, but also those who were more directly interested, of the many advantages of roburite. I have met scores of miners here who have used roburite in England, Australia, and other parts of the world. If the Commission wished, I could give the names of managers and miners who might be called as witnesses.

Government trials of roburite suggested.

Is it better and more harmless than dynamite?—It is absolutely harmless. Until a detonator is added, which is different in composition to a dynamite detonator, it will not explode at all. Neither fire, concussion, lighting, or other agency which would explode powder or dynamite could explode roburite. It is a well-known fact among miners and mine managers that roburite would be a very good substitute for dynamite.

Safety of roburite.

Why have you not made it better known here?—What is the use of advertising or making known an article which I am not allowed to sell or import?

Is it forbidden to make roburite in Europe and use it?—No, there is no monopoly there.

Is it well known in Europe?—Yes. It is known in Germany, Australia, Spain, and it is largely used in England, Wales, and Scotland.

Use of roburite in Europe.

Do the mine managers here, and contractors and merchants, know of the existence of roburite?—Many of them do.

Many gentlemen connected with the mines, including the Chairman of the Chamber of Mines, have given evidence before the Commission regarding explosives, and they have only referred to the dynamite monopoly, and asked for free trade in dynamite, but not a single one has mentioned roburite.—Of course, they don't mention any explosives; they want free trade. If there is free trade and free importation, then miners and mine managers will have an opportunity of using whatever explosive they please. Of course, I may mention, it has never been to the interest of the concessionaires to say anything in favour of any other explosive.

The dynamite monopoly and roburite.

You see the dynamite monopoly is for the importation of all explosives; so, consequently, when it is proved that for the mines roburite is better, that can be arranged, through the Government, to import roburite instead of dynamite.—About two and a half years ago, the Chamber of Mines sent a memorial to the Volksraad asking for amelioration with regard to the dynamite monopoly. It was brought before the Raad, and it was stated by Mr. Vorstman that as soon as an explosive could be manufactured at a price lower than the present price of dynamite, the Explosives Company was wholly prepared to treat with the holders of such patents with regard to the manufacture and sale of such explosive, so that the mines should have the benefits accruing from such invention. Acting on this, I interviewed Mr. Vorstman, and asked in what way he would allow us to import roburite. The manager promised to bring the matter before his directors, and on Sept. 5, 1895, replied that his directors had decided that my offer could not be taken into consideration. I replied, expressing surprise at this decision in view of the assurance given

to the Volksraad, pointing out that roburite was quite as effective for most mining purposes as dynamite, and much more suitable for coal mining and quarrying, to say nothing of its valuable properties of safety, and stating that as under similar conditions as those which the Explosives Company enjoyed from Government, roburite could be manufactured and sold in the Transvaal at much less than the present price of dynamite—even after providing the Explosives Company with an adequate consideration for the privilege of working under their rights—I should be glad to know in what manner the Company was "wholly prepared" to treat with the holders of the roburite patent. To that communication a formal acknowledgment was received, stating that the directors saw no reason to depart from the resolution already come to. My firm had been trying for seven years, without success, to get a fair trial for roburite in the Transvaal.

Roburite and Nobel's.

I understand that the Nobel's people are trying to suppress roburite?—Yes, they are trying to suppress the manufacture of all articles that interfere with nitroglycerine explosives, not only here, but all over the world.

Suppose the dynamite monopoly is taken away and free trade is given?—That would allow the mines to select their own explosive. I mentioned in my statement that the Cape Government, in 1890, in view of the many accidents which had taken place in the Colony, submitted a sample of roburite to a chemical expert, who after many trials, has given a certificate to the Government guaranteeing its perfect safety. The Cape Government has allowed us to manufacture roburite in Port Elizabeth, and it is sold and conveyed through the country without any restriction as to the observance of the Act that applies to dynamite. I need hardly point out that this is a great boon to prospectors and quarrymen, as they can keep the roburite about their work or in their houses without the slightest danger.

Safety of roburite.

I am very pleased with the evidence and your declaration, because it is the first duty to protect life and property, and this evidence will give great assistance in considering the dynamite question. People ought to look after the lives and property on the mines, and this is one of the reasons for considering the doing away with the dynamite monopoly.

Mr. *Smit.*

Experimentalists in roburite.

Can you give us names of people here who have had practical experience of roburite?—Yes. Mr. Howard Harris, of the Tyne Valley Colliery; Mr. J. M. Donald, of the Bantjes Consolidated.

Mr. *Hugo.*

Power of roburite.

Is it as powerful as dynamite?—It is a better explosive than most classes of dynamite, but it is not as powerful as blasting gelatine. For coal mines it is invaluable, not only because it brings out the coal in a more marketable condition, but because there is no risk should unexploded cartridges happen to be shovelled into a furnace with the coal, as sometimes occurs, with disastrous results, in the case of dynamite cartridges. If an opportunity were given in the Transvaal to use roburite, there is little doubt that with the assistance of chemical science, means would be found to make roburite as strong as blasting gelatine, so that it could be used for the very hard rocks in deep level mines.

Mr. *Joubert.*

Information regarding mining disasters.

You say you cannot get information about the mining disasters last year. If you wanted information you should have gone to the head of the department and not to subordinates?—I would have done so if I had had time. I cast no reflections on the

officials, but merely state the fact in explanation of my inability to furnish fuller details as to accidents.

Roburite has been receiving my attention for some months, and from the information I have on the subject, and which it is my intention to lay before the Commission, I believe it is far safer and less costly than dynamite. Price and safety of roburite.

Mr. *Brochon.*

I was induced some years ago to use roburite, and it was fairly satisfactory. You speak of the noxiousness of the gas of dynamite; what is the gas of roburite?—I am not a chemical expert, but I know that the gas roburite emits does not contain carbon-monoxide, which is the poisonous gas in dynamite. There are, of course, fumes from every explosive, but gases emitted from roburite are not harmful like those emitted from nitro-glycerine explosives. I may mention that, in the first inception of roburite, Nobel tried every means to damage its reputation, and it so happened that a miner had died from the effects of an accident, and it was said that he had been poisoned with the fumes of roburite. Nobel industriously circulated this to his agents all over the world. The directors of roburite instituted a searching medical investigation, with the result that it was stated on the best authority that the man did not die from the fumes of roburite. Roburite fumes. Roburite and Nobel's.

How do you use it?—By the aid of a special detonator. The detonator for exploding gelatine and dynamite is not of the same character. It is very small. It has been proved that dynamite cartridges left in a hole may be exploded with a strike of a drill, but, with roburite, you may strike it with a sledge hammer and it will not explode. Manner of exploding roburite.

Can you tell us anything about its composition?—It is composed of the same ingredients as the Sprengel class of explosives. Dr. Roth was the inventor of this particular explosive. It is composed of nitrate of ammonia, with the addition of an extract of coal-tar, commonly called tar salts. The chemical name is chloro-di-nitro-benzole. Composition of roburite.

How if you put fire to it?—If you place it in a fire it simply burns away.

If you take a dynamite cartridge it will burn too, though part of it when hot enough will explode. Now, does roburite burn right through, or will part of it explode?—You cannot ignite it, hence another reason of its being a very good explosive for mines. It does not sustain combustion. Supposing you take a bucket full of roburite and plunge into it a red hot iron rod, it would simply blaze up, but, immediately the iron is withdrawn, the flame disappears; hence it is not liable, like dynamite, to ignition when, as sometimes happens, the detonator in the priming cartridge is pushed in too far, and the dynamite becomes ignited and sends off poisonous fumes. Comparative safety of dynamite and roburite.

Can you tell us something about the price of roburite, as many witnesses here have stated that the actual cost of dynamite is 37s? What would be the price of roburite without duty? What is the price at home?—It is sold at home at £2 1s. 6d. per case. Price of roburite

That is very expensive. We can get dynamite at 21s. 6d. a case, that is, £43 per ton.—I may mention that the power of roburite is greater than dynamite. A smaller quantity does the same amount of work in proportion of three cases of roburite to four of dynamite. Proportionate power of dynamite and roburite.

Do you mean that the roburite is as strong as dynamite? It is stronger.

What is the density of roburite?—It is a little more bulky than dynamite. Where you would use 4 ozs. of dynamite in a hole, 3 ozs. of roburite would occupy the same space, and do equal work.

Mr. *Schmitz-Dumont.*

You say yourself that in many cases the mine manager gives the preference to gelatine?—Undoubtedly.

Last year the mines used about 40,000 cases of dynamite and 110,000 cases of blasting gelatine. You only mean to substitute roburite for dynamite, not for blasting gelatine?—I don't imagine that were roburite permitted to be introduced everybody would run and buy it. It would naturally take some time before the mine managers fully realised the advantages of using roburite.

e and ne.

Have you got any idea of the cost of using roburite instead of blasting gelatine for the same work?—Well, we could sell roburite here for something under £3 per case.

In the one case you take roburite, and in the other gelatine. Which would cost most?—Roburite would cost a great deal less, the one against the other, to give the same power.

Extensive trials have been made at Home and it has been found that for the hard class of work you have here roburite would cost about 30 per cent. more than blasting gelatine?—I daresay 30 per cent. more than the low price at which you get blasting gelatine in America and Europe. I quite agree that roburite cannot be made as cheap as some of those nitro-glycerine compounds, for the reason that the entire cartridge of roburite is chemical. There is no earth or kieselguhr employed in its manufacture.

Witness thanked the members of the Commission for the manner in which they had heard him.

Mr. Samuel Foote's evidence.

Mr. SAMUEL FOOTE, Chairman of the Licensed Victuallers' Association, was next called. He read a statement in Dutch, of which the following is a translation:—

It affords me great pleasure to be permitted to offer some information to your honourable Commission upon the old vexed liquor question, especially with regard to its bearing upon the mining industry. I must, however, admit that I feel the weight of the heavy responsibility thus imposed upon me in the face of the formidable opposition and grave indictments laid against the liquor traffic, not only by the heads of the mining community, but also by the Mercantile Association and Chamber of Commerce, as well as by the various other sections of the community at large. I pray, therefore, for your kind indulgence. I may be considered, perhaps, as going somewhat beyond the sphere of this enquiry, upon touching upon that portion of the trade which at first glance may not seem to have any direct bearing upon the mining industry, but I may venture the opinion that all branches of commerce, of which the liquor trade is one of the most important in this State, must be considered equally dependent upon the success or failure of the gold industry. The liquor question is one which has exercised civilised nations for many decades past, and the manufacture and sale of wines, spirits, etc., have a considerable influence upon the revenue, I may say, of the whole world, and may consequently be looked upon as a huge commercial item. For some considerable time, I regret to say, the dealers in liquors generally in this Republic have been looked upon as desirous of working in opposition to the interests of the State industry; and in their desire to work on the most economical basis the mining community agitated what may be termed a hasty drastic legislation, of which extremists in our midst took immediate advantage, the consequence thereof Law 17, 1896, which will and must, in its operation, bring about a state of financial collapse of those engaged in the trade, as well as enormous loss to the revenue

Liquor trade dependent on gold industry.

Liquor Law No. 17 of 1896.

State, the extent of which I cannot believe the most honest protectors of the industry could ever even have contemplated. I shall endeavour to point out roundly the consequences of the operation of some of the most important clauses in the present Liquor Law, brought about entirely by the said agitation of the mining community, and after having stated the various grievances in connection therewith, I shall take the liberty of offering a few suggestions for the improvement of legislation on this subject, and especially with reference to its relations to mining interests and to the community at large. Article 3 provides that—"No licence for the sale of spirituous liquors by retail or wholesale shall be granted except in established and acknowledged towns, villages, and diggings under Government control." This provision, which means the abolition of all roadside hotels, was agreed upon by the hon. Second Volksraad, and upon strong opposition being shown by a large number of the population, the operation of the clause was suspended until next month, when it must come into force. It is hardly necessary for me to point out how severely the operation of this Article will affect the interests of many burghers and others throughout the Republic who are either proprietors or tenants of such establishments, as well as the great inconvenience that will be occasioned to the travelling public. The non-existence of convenient accommodation along the various roads of the country must also be specially and seriously felt by those members of the mining community employed in prospecting, etc. I shall now, with your permission, make reference to two of the most important clauses in the law so far as the mining interests are concerned, namely, Articles 5 and 6, which prohibit the sale or gift of any kind of liquor to any coloured persons. This does not only apply to natives, but to other coloured races, including Colonials, among whom will be found many honest tradesmen, and in fact many well-to-do people. I hope to be able to show you that those governing the mining interests were hardly sincere in their agitation for the passing of the measure, and that they did not exhaust the means at their command for lessening the evils they complain of before being instrumental in obtaining legislation which will bring disastrous consequences with it. It was the mining people themselves who encouraged the sale of liquor to natives, powerfully assisted by those in their employment. In order to place the matter clearly before you, I hope your hon. body will permit me to give a slight *resumé* of the liquor agitation. For some considerable period it was found that natives were illegally served with adulterated and injurious liquor, especially by unprincipled and unlicensed dealers, and from time to time my association made strong representations to the Licensing Board not to increase "kleurling licences," and even not to grant any new licences in town unless actually required for the convenience of the public. Then, again, for a long time past, extremists have agitated for the revision of the Liquor Laws, and, for a considerable curtailment of licences generally. All these culminated in a resolution of the hon. the Second Volksraad on the 5th September, 1895 (Minutes, page 645, Article 1571). See Dutch copy enclosed, translation as follows: "The Second Volksraad, having regard to the report of the Commission appointed by Art. 49 of 13th May, to take the Liquor Law under revision, resolves to refer all petitions and documents in reference thereto to the hon. the Government, with instructions to appoint a Commission of Enquiry during the recess, with a view to investigate the liquor traffic in the S.A.R., to consider the various petitions, to obtain information, take evidence, and to draw up as soon as possible a complete and adequate new law; and, further, to publish same for treatment by the hon. the Second Volksraad. The Volksraad further resolves that the said Commission shall have the power to summon witnesses if necessary, and to give memorialists copy of this resolution." Unfortunately, owing to the late crisis, the Commission appointed consisting of the Criminal Landdrost of Johannesburg, the State Attorney, and the

Article 3 of Law 17 of 1896.

Abolition of roadside hotels

Effects of article 3.

Articles 5 and 6 of Law 17, 1896

Sale of liquor to coloured persons.

Kleurling licences.

Appointment of commission of enquiry into liquor question, Sept., 1895.

History of commission of enquiry into liquor question.

Landdrost of Pretoria, did not commence its labours till about May, 1896, and the law in question was never published in accordance with above resolution, the people at large being therefore debarred from considering the same. The Commission sat at Pretoria for only one week or two, and I venture to submit that it was impossible in so short a time to investigate to the full extent all matters in connection with this important branch of commerce as intended by the Volksraad resolution. I wish now to point to the practical encouragement given by the mining community, as well as by its employees, in the sale of liquor to natives. It is a well known fact that many concessions for the sale of strong drink have been granted by mining companies. It is difficult for many obvious reasons to give accurate details in all instances. In many cases tenders were publicly called for in the newspapers for the right to supply natives, and the following are a few examples. When Mr. Cowie's right to sell liquors on the Geldenhuis Estate had expired (for which, by the way, he paid the company £80 per month), advertisements appeared asking for new tenders, and Messrs. Sack and Lediker were successful in obtaining these privileges from the company on lease at the rate of £1,800 per annum. In the case of the New Crœsus Gold Mining Company, Limited, Mr. F. W. Smith got the preference at a rental of £1,500 per annum, with the proviso that he should build suitable premises, which cost about £1,500. Then on the New Primrose a similar concession was granted on payment of £1,200 per annum. Other instances could perhaps have been given, if the lessees were not so reticent in giving details. Then, again, considerable impetus was given to unnecessary drinking by employees engaged in the mining industry, and notably so by some compound managers. Last year, when I had the honour of interviewing the Government on the matter, I placed in their hands a number of permits for the purchase of quantities of liquor signed by compound managers, and which are doubtless in their possession. Of course it is most difficult to prove conclusively the guilty knowledge of contravention of the liquor laws by the white employees of various companies, because it is impossible to obtain any assistance from those in league with them. It would, however, be interesting to quote two or three instances which have been publicly reported and which I think you will consider somewhat bear out my statement. I see a report in the *Star* of the 10th April, 1896, headed "15 gallons of brandy." It was a case wherein seven native policemen employed at the City and Suburban Gold Mining Company, Limited, were brought before Mr. Van den Berg, charged with being in possession of 15 gallons of brandy. Mr. Clarke, the compound manager, gave evidence for the defence,, and stated that he depended on the prisoners to keep order in the compound. The Landdrost stated that he was surprised there was no union amongst the managers on the Rand. The accused were discharged. A little time since a white employee on the Rip Gold Mining Company, Limited, was fined £50 for supplying natives with liquor, and on the 30th April last, W. R. Polithon, described in the *Star* as the compound manager of the Pioneer Gold Mining Company, Limited, was fined £75 for selling liquor to a native. I further learn that an employee of the Oceana Coal Company, Limited, in the district of Heidelberg, was likewise fined for the sale of liquor to natives on the 12th inst. I beg to produce a few permits, signed by a compound manager in his capacity as such, for the supply of liquor. It is true that the quantities asked for are small, but the fact remains. I am aware that, unfortunately, illicit trade is rampant, and that many witnesses before your honourable Commission have declared that the illegal traffic emanates chiefly from unlicensed dealers, such as stores and kaffir eating houses within the precincts of the mines, and I can assure you that no one regrets this state of affairs more than the respectable licensed victuallers, especially when one sees that the police seem powerless to discover the origin of this unlawful traffic; and while on this subject I must again state that it appears to me that compound managers do not use their best

Liquor concessions by mining companies.

Compound managers and the liquor question.

efforts to suppress this excessive and injurious drinking. It has been stated that great quantities of liquor find their way into the compounds, and I should say diligent execution of the compound manager's duties on going his rounds, at certain periods of the day and evening, should lead him to discover the existence of such liquor. I am somewhat borne out in this contention by a remark that fell from the criminal landdrost, Mr. Van den Berg, on the 23rd July, 1896, where, in a case emanating from liquor before him, he stated that the compound managers were responsible for rows ending in death very frequently, as they did not sufficiently supervise the compounds at night. It has been urged that the existence of canteens along the reef have facilitated the thefts of gold. Messrs. Sack and Finestone, canteen-keepers, along the New Primrose Gold Mining Company, Limited, were actually instrumental in tracing and obtaining a conviction for gold thefts from the company. I beg most respectfully and humbly to submit that the introduction of total prohibition to natives has defeated its own object. It is clear that there exists more illegal traffic than ever, and it is only by regulating the system upon a thoroughly sound basis that this illegal trade can be put a stop to. I would like to be permitted to point out to you that the Liquor Laws of the United Kingdom are perhaps the most severe, and yet it has been conclusively proved that the more stringent the prohibition introduced the greater the secret drinking and the more huge the illicit traffic. Especially was this the case in Wales, where prohibition was introduced on a large scale, and it was afterwards discovered that there were in existence more shebeens than there were ever licensed houses previously. Without desiring to cast any reflection upon our Scottish brethren, it is pretty well known that, notwithstanding the Sunday restrictions, liquor in Scotland on that day is easily obtainable, to say the least of it. I mention all this to prove the futility of so-called prohibition. But that I do not desire to occupy your time at any too great a length, I could give you many more logical proofs. Still, however, the liquor question generally is of such vast importance that I may claim your indulgence for occupying your time longer than I had desired; but I would just like to draw your attention to the fact that in Holland, Belgium, France, Germany, Italy, etc., where huge industries exist, and where the liquor trade is comparatively free, much less drunkenness is visible than in countries where the severest restrictions obtain. In order to make the working of the prohibition more complete in this State, Article 16 was introduced, which enacts that the granting of licences for the sale of any kind of liquor on any ground given out as a claim, mijnpacht, bewaarplaats, etc., etc., is totally prohibited. Under this law fall some excellent hotels in districts where hundreds of white men are employed, and in all these places food is supplied to the mine workers at a price leaving little or no profit. These establishments are supplied with reading-rooms, billiard-rooms, etc., and the operation of this clause means the abolition of all conveniences to the detriment of the working men, who, requiring their wants fulfilled, would leave the works, not only to obtain their glass of beer, but in search of social intercourse and recreation, now to be denied them. The effect of this measure will not only be felt in the district of Johannesburg, but also in the important districts of Boksburg, Klerksdorp, Krugersdorp, Heidelberg, Lydenburg, etc. The further disastrous effects of the working of this article will bring about the demolition of valuable premises and good-wills, and the throwing out of employment of many thousands of people. I now beg to draw your attention to Article 17, which provides for the number of licences in proportion to the white male adult population. Now, the number in the Johannesburg district alone is about as follows:—(*a*) Wholesale, 49; (*b*) bottle-stores, 56; (*c*) retail, 305; (*d*) roadside, 3; beerhalls, 23—total, 436. The revenue from licences and billiards may be taken approximately, in this jurisdiction alone, to amount to not far short of £40,000. It has been computed that in order

Reef canteens and gold thefts

Total prohibition to natives ineffective.

Total prohibition in Wales, and Scotland.

Results of freedom of liquor trade in Holland, Belgium, France, Germany and Italy

Evil effects of article 16, Law 17, 1896.

Article 17, Law 17, 1896.

Johannesburg district liquor licences.

to give effect to Article 17 about 70 licences in all could be granted. Seeing that the above totals include about 112 hotels, 56 bottle-stores, 27 restaurants, 49 wholesale houses, considerable difficulty must ensue in apportioning these licences. And further, the effect of the operation of this clause would occasion much suffering, in fact ruin and bankruptcy, to an extent not easily contemplated. In Johannesburg alone, I believe, the losses in the forfeiture of stocks, good-wills, and decrease in value of buildings would reach, I may say, millions, and to whom are the sufferers to look for compensation? I would further deem it my duty to point out to you that the enforcement of this Liquor Law 17, 1896, would affect the revenue of the country to a serious extent. The general revenue of Customs for the past six years has been as follows:—1892, £441,436; 1893, £692,831; 1894, £812,173; 1895, £1,085,419; 1896, £1,355,486. I may say that at least one-third of the whole of these customs receipts is contributed by the liquor trade, and a huge reduction of that income would have to be made good from other sources. It would probably interest you to know the total of customs and excise duties derived from the manufacture and sale of alcoholic liquors in England during 1896. The amount is £30,886,129, being 32·62 of the total exchequer receipts for that year, and this does not include local taxation, such as licence money, etc. The example set in England, where, as I have already stated, the law is very severe, may possibly be some guidance in the framing of the new legislation. In that country a Royal Commission has been sitting for nearly two years to thoroughly investigate the liquor laws in every town and village, and its effect upon the morals and intelligence of the people. The latest report gives a *resumé* of the evidence of Captain Nott Bower, Chief Constable of Liverpool, one of the most important shipping ports in the world. This officer, a gentlemen who is believed to be a great authority, states, among other things, that a large proportion of the crimes of violence were due to drunkenness, but by no means all; and the same applied to cases of neglect of children; but, when they came to cases of house-breaking and larceny, or what may be called professional crimes, they were rarely due to drink; in fact the professional criminal must almost necessarily be an abstemious person; he could not possibly carry on his trade if he were not. Offences of indecency were very seldom due to drink, and as to embezzlement, forgery, and crimes of that character drunkenness was very often the result of crime, rather than crime the result of drink. It was said in some quarters, and often said, that if there was no drunkenness there could be no crime, but he did not think that was correct. Factors in the decrease of drunkenness were the demolition of insanitary property; increased facilities for football and cycling; the general improvement in the tone of the working classes, and the doing away with unlicensed drinking places. I earnestly hope that I may not be deemed as desirous to advocate anything that can in the least be construed as antagonistic to the mining industry. On the contrary, I should esteem it a privilege to be allowed, in my humble capacity, to render every assistance in removing any impediment to the progress of that industry; but I cannot refrain from contrasting the opinions expressed by so important an authority as Captain Nott Bower with the action of Mr. J. B. Robinson in his orders prohibiting men on Randfontein from indulging in those very manly sports which are recommended by the captain as a special means for the prevention of drunkenness. Prohibition in any direction, as well as undue interference with the liberty of the subject, always creates ill feeling and revolt. I venture further to submit that a great deal of this agitation in reference to the liquor traffic has been greatly accelerated by the desire to introduce the compound system. This measure was advocated especially by Mr. George Farrar, when he suggested at the Simmer and Jack that Mr. Rhodes had offered to build a second Kenilworth for the men, and subsequently emphasised this at a meeting of the Mine Managers' Association. I may here mention

Liquor Law 17, 1896, and the State revenue.

Contribution of liquor trade to State revenue.

English customs liquor and excise duties for 1896.

English royal commission on liquor laws.

Drunkenness and crime.

Liquor traffic and the mining industry.

that I am more than surprised at the attitude of the Mercantile Association, especially as all branches of legitimate commerce should work side by side. Seeing that it has been generally acknowledged that a huge illicit traffic emanates from the storekeepers and kaffir eating-houses along the reef, it is astonishing that, if that body is so sincere in its desire to alleviate the troubles of the mining community, that the Association did not advocate the removal of all stores as well as canteens from the immediate neighbourhood of the mines. From this side of Krugersdorp to the border of Boksburg, a distance of over 30 miles, only 17 licensed canteens, including well-appointed hotels, exist along the line of reef, and surely these 17 licensed houses can hardly be held responsible for the huge illegal traffic now extant. In view of the suggestions I should venture to make, I would say that at the time I had the honour of appearing before the Commission at Pretoria, in May, 1896, referred to in the earlier part of this statement, Mr. Jas. Hay, Chairman of the Chamber of Mines, and I, had practically offered similar proposals, especially with reference to the kaffir liquor traffic. Mr. Hay then contended that the native will, and should have his drink, but that it should only be meted out to him in State defined and stamped measures, but that the toleration of drunkenness, the supply of liquor in any quantity for consumption off the premises, or sale of adulterated or injurious stuff, should be punished in the severest possible form, and I am bold enough to believe, without presuming to dictate to the mining community, that, so far as natives are concerned, that method, combined with honest supervision, is the one most likely to prove efficient. In conclusion, I earnestly trust that your honourable Commission will pardon the length of this statement. There are many more minor details in connection with the Liquor Law generally which are open to improvement, but with which I will not now trouble you. Let me assure you that it is my earnest desire to be permitted to co-operate with the mining community and the authorities in bringing about such changes and improvements as shall tend to the alleviation of the grievances of the gold industry, and especially to contribute to the comfort, welfare and happiness of the mine workers. The following are just a few suggestions that I respectfully submit for your earnest consideration:—

The Johannesburg Mercantile Association and the liquor trade.

Canteens on the reef.

Proposals for regulating native liquor trade made to the commission of enquiry into the liquor question, May, 1896.

Suggestions for better regulation of liquor traffic.

(1) That every applicant for a liquor licence must be armed with a certificate of good character, countersigned by the higher officials.

(2) That the house for which the licence is asked must be of a certain normal value, and have proper sanitary arrangements.

(3) That the house, and not the man, be licensed. This would obviate the possibility of underhand transfers. This, and the previous conditions, would be the best security for good and lawful conduct, as loss of licence upon contravention would mean enormous decrease in the value of the property.

(4) Improved and efficient police supervision, and the abolition of any share of the fines. This system places a premium upon crime and often imposes hardship upon men, who, perhaps, had no desire to contravene the law.

(5) Proper and equal administration of the law, and the carrying out thereof to be enforced upon *all* licensed dealers. It is the larger and more important houses that should set an example of obedience to the law.

(6) Thorough supervision of the quality of liquors, under severe penalties for the sale of adulterated or deleterious stuff.

(7) A firm licensing board.

(8) Imprisonment *only* on conviction of unlicensed dealers.

(9) That natives be allowed to obtain, under strict regulations, a certain quantity of sound liquor, to be served in a stamped State measure, under severest penalties for serving larger quantities than prescribed by law, the toleration of

drunkenness, or the sale of any quantity no matter how small, for consumption off the premises. I may mention that if the native wages be reduced as proposed, it will leave very little margin for excessive drinking.

(10) Thorough supervision of the stores in the vicinity of the mines, and improvement in the general condition of the eating-houses, for which licences should only be granted to responsible and respectable men.

(11) The abolition of all licensed insanitary shanties.

In my humble opinion, if these conditions were acted upon, Articles 3, 5, 6, 16 and 17 might well be deleted, and I venture to believe that the Liquor Law, with some minor but still important additions would be workable, and ultimately give satisfaction all round, while the irresponsible illegal licensed dealer would soon be weeded out.

MR. S. FOOTE on examination said:

d interests liquor trade.

I would like to say a few words more with reference to Articles 16 and 17, as given in my statement. With reference to my statement, I would like to point out several things in the Liquor Law as it stands. The huge vested interests in connection with this trade amount to immense sums. Take, for example, the wholesale houses here are perhaps the largest in the trade in South Africa, when I tell you that the duties paid by Messrs. Rolfes, Nebel amounted to something like £110,000 for the year. Their business and stock is about a third of a million of money. These wholesale houses labour under considerable difficulty on account of having to apply for their licences every quarter, and not alone is it a very great and serious inconvenience, it may be considered that it is almost unfair to these firms that have such large vested interests. Of course I do not advocate the cause of Messrs. Rolfes, Nebel alone. I only give them for example; the other firms are in the same position, and therefore I would like to suggest that this Commission would be kind enough to consider in their report the advisability of recommending to the Government that these wholesale licences should be considered as commercial licences. Further, I should prefer to say nothing until you have examined me.

Wholesale and commercial licenses.

Mr. *de Beer*.

Mine officials and sale of liquor to natives.

You say here that the mine managers—that is mining people—encourage the sale of liquor to natives?—Yes. In the first place, on many occasions when the Licensing Board sat there had appeared very many recommendations from mine managers advocating the sale of liquor. Then again on many occasions, as I have shown in my statement, advertisements have appeared in the papers calling for tenders for the right to sell liquor to natives on certain mines, and in each of these instances the successful tenderer had to pay a very large amount of rental for the preferential right. I have given you several instances in my statement, and I think that is direct encouragement for the sale of liquor, actuated by the mine people themselves.

Quality of liquor sold to natives

You say that natives are supplied with bad and spurious liquor. Do you know where it comes from?—The largest amount of liquor, as far as importations are concerned, comes from Delagoa Bay. Whether that liquor was originally injurious and deleterious, I am not prepared to say. No doubt in many instances that liquor was seriously adulterated. At present the enormous sale of so-called whisky amongst kaffirs is, of course, illicitly sold. You would be surprised at the enormous quantities which are on the market. This so-called whisky is sold to-day at 13s. 6d. per case of 12 bottles. There are about 13,000 cases a month sold.

Quantity and price of liquor sold to natives

Importation of liquor sold to natives.

The liquor you mention is usually called Delagoa spirit?—It is made of the spirit chiefly imported from Germany.

Originally made in Germany from potatoes?—The liquor comes from Delagoa Bay, without tax, as a product of Portugal. That whisky was brought in at 96 per

cent. strength, and reduced here to half, and adulterated and mixed up, and sold in bottles at 13s. 6d. per case.

Have you also included licences for billiards?—I have not. They were difficult to obtain in Pretoria. Billiard l

You speak about canteens on the mines; that is a great grievance for the trade. I think there are only 70 licensed houses on the whole line.—What I wished to show, as appeared in my statement, the 17 who have fallen under the Article 17, can hardly be held entirely responsible for all the illicit traffic going on. You will find from the 1st January to the 25th May, that four-fifths of the convictions for contravention of the liquor law emanated from individual illicit-dealers, unlicensed men, and keepers of stores and kaffir eating-houses. Number sed ho reef. Contrav Liquor reef.

According to the evidence put before the Commission, the greatest evil is the kaffir eating-house?—There is no doubt about it. With reference to the eating-houses, I may at once tell you that I was approached by an official of the Sanitary Board on the same question, and I considered then, as I do now, that the supervision should be placed in the hands of the Licensing Board; that in each case the applicant should satisfy the Board, either by writing or otherwise, that he is a respectable man, and convince the Board that his house is of normal value, properly situated, and that he should enter into a bail bond for the legal performance of his business, and, in the event of any illicit traffic, so far as liquor is concerned his bail is forfeited. Kaffir houses

Mr. *Brakhan.*

In your statement you have thrown out various insinuations that the mining companies were furthering the sale of liquor?—I have done so.

Can you tell me or do you know the exact terms of the lease entered into between the Geldenhuis Estate and Cowie?—I do not know the details of the contract, but as I understand, their lease has still one year and a half to run. Geldenh tate a contra

You are wrong there. The lease has expired. This lease you have left out is very important in the details. The lease provides that no native should be served without a written authority of the manager, and this proves clearly that the company was desirous of having the control over the sale of liquor to natives; in other words, to limit it?—That means that they must have given a large number of permits to kaffirs, as he would not be prepared to pay £150 a month. I speak of the Cowie lease.

He has not got it now?—He had it.

Yes. He paid for the first year, £30 per month; for the second year, £430; and £500 for the last year; and that is much less than £80 per month.—The next party undertook to pay £150 per month.

The company is not desirous of having this lease, as will appear from the following: Mr. Sacke had to pay £1,800 a year. The company had reduced this to half the amount since the sale of liquor to natives has been prohibited. The terms of the lease empower the company to take the whole from Mr. Sacke. That is clear proof that the company does not want the lease for the sole object of making money. I think the terms of the lease are so stringent that the contract could have been cancelled any moment if the lessee did not comply with the terms of the agreement.—I can only say that, in that particular case, the company was extremely lenient and kind to the man.

What reason have you for saying that?—You yourself state that the company, seeing that since the 1st January a considerable amount of trade must fall off on the Geldenhuis Estate, were very kind, when they could enforce £1,800 a year, to reduce that by a half.

It was not a matter of enforcing; it was in terms of the contract.—I understand you to say they had reduced the amount; therefore, it was very kind of them, under the circumstances.

Then that proves their wish was not that of making money?—Well, I think £1,800 to sell only to whites on the property is very high.

It was not only for that. It was for a kaffir eating-house, hotel and boarding-house. You hinted in the same statement with regard to a certain company—I suppose you do not want the name mentioned?—No; I think it better not.

Permits of compound managers to purchase liquor.

You mentioned permits being brought to some canteen. For what purpose was this liquor used, do you think?—In my opinion, I have no hesitation in saying that this must have been drink required for natives.

Forged permits.

Still, I have enquired into this matter, and I find some of these things must have been forgeries. There are, for instance, on certain days, permits signed by a certain man as compound manager. That man has never been in the employ of the company, and the compound manager is quite a different man.—I shall be pleased to give you privately the name of the individual from whom I received those permits, and my object in putting them before you was not with a desire to injure any man, but knowing and feeling convinced in my own mind that in a great many instances compound managers were instrumental in the purchase of liquor for natives, and that it is extremely difficult to obtain absolute proof, even as it is difficult for you to obtain proof of your gold thefts. I thought when those permits were offered to me they might, if genuine—I never dreamt for one moment they would not be genuine—assist me and you in getting at the bottom of this illicit traffic.

I don't want to insinuate that those permits were handed in not *bona fide*, but enquiries have proved they are not right, because on many of the names given on those permits the initials are wrong, or the individuals are not in the employ of the company.—I shall be very pleased to give you every facility to get at the bottom of it, and shall take the earliest opportunity to gauge the thing for myself.

Mine directorates and the sale of liquor to natives.

You mention that compound managers have been instrumental in selling liquor to natives. I don't deny that might have been the case, and perhaps is yet the case, but that does not prove that the directors of the companies would further, or were cognisant of any such fact. In fact, the directors would be pleased if they could get information about it, and I should guarantee that those compound managers, or other servants of the company, would be at once dismissed, because the directors, from personal supervision, found out that if the natives do not get any liquor at all—good, bad, or indifferent, whatever it may be—the amount of labour they can get out of them, and the discipline is far better than if they were supplied with liquor. Also, their own physique and health is greatly improved. If, formerly, the opinion might have been that the kaffir must have his liquor, yet, from experience, that opinion has been altered, and that is just where the mining industry insists that the Liquor Law should not be altered, so that kaffirs should not have any chance whatever to get liquor. Can you inform me if Mr. John Judellsohn is a member of the Licensed Victuallers' Association?—He was, but he is not now a contributing member.

He has resigned then?—He is not a contributing member. He failed to pay up, and is no longer a member.

But he was a member?—Yes, originally.

License of Old Park Bar, Jeppestown.

I want to draw attention to the manner in which matters about licences sometimes are managed. There is a certain Old Park Bar in Jeppestown. The man who had the bar, or, perhaps still has it, has been convicted for contravention of the law in May, 1896, and January, 1897, and since then has been several times trapped, but no conviction could be got. At the December sitting of the Licensing Commission, a man

otson, was refused a licence. At the March sitting, another man, who is connected ith Mr. Cotson, applied for the licence for the same place, but was also refused. Now, r. Judellsohn, on the 3rd April, 1897, acquired a transfer of the licence from Mr. H. Gordon, of a certain bar in Alexander Street, Ferreirasdorp, and this was at once ansferred to the Old Park Bar. This shows how the ramifications of licences are anaged.—I know the circumstances full well. In the first place, I should like to tell u that even if a man is a member of the association, I should never try to defend him any shape or form against an improper action. This question of this transfer is not ly a question of this individual transfer, but it opens up a much wider field. I have er and over again protested against these interim transfers. If you will look to the ird suggestion in my statement, you will see I there said that the licensing of the use would obviate anything of the kind again. According to the present law, the airman of the Licensing Board, in cases of unforeseen circumstances, such as fire, etc., s the right to transfer, *ad interim*, any licence from place to place, subject to conmation by the Board at its next sitting. But, unfortunately, these transfers have en granted from time to time, and not with the wish or countenance of the most spectable dealers of the Licensed Victuallers' Association.

Transfer of licenses.

I am very pleased to hear you, as charman of the Association, with the full pport of the other members, advocate this alteration. It brings out my desire that e hands of the Licensing Commission should be strengthened in order to bring about is alteration, because if a certain canteen, or a certain man who holds a canteen, is nvicted continually or several times, and yet is able to carry on this trade, then it is gh time an alteration in this law should be made.

Mr. *de Beer.*

These are not facts you have stated, Mr. Brakhan.

Mr. *Brakhan.*

They are facts.

Mr. *de Beer.*

What you quote are not facts.

Mr. *Brakhan.*

I received them for facts.

Mr. *de Beer.*

When you say people have been convicted repeatedly, and can still get licences, 'ou are wrong.

Mr. *Brakhan.*

I beg pardon. That was a slip of the tongue. I mean they are able to get transr of licences. Of course, this licence which he now holds by transfer is subject to nfirmation by the next Licensing Board, and I have no doubt this licence will not be nfirmed.

[*Addressing witness*]. Now with regard to one point in the suggestion you make, don't quite see why you suggest in No. 8 that imprisonment should only take place conviction of unlicensed dealers.—I don't know whether you quite understand. hat I mean to convey is this: I say imprisonment only. I don't mean imprisonment ould be inflicted upon unlicensed dealers only. I mean imprisonment only. That ould be the only punishment.

Punishments for licensed and unlicensed liquor dealers.

Why not also for licensed dealers?—That is easily answered. In the first place you must bear in mind the majority of licensed victuallers are men who have been established for many years in this country, and who have large vested interests in their stocks, buildings, and goodwills. I do not say that a continuance of infringement of the law shall not be followed by punishment by imprisonment, but if you will take notice of my proposition that the house shall be licensed and not the man, and that after one or two convictions that that man will lose his licence and the value of his house and the value of his good-will, then I consider that that man is sufficiently punished. Then, again, that man contributed, and is contributing largely to the revenue of the State for years, whereas the unlicensed man is an illegal dealer, who defrauds the Government of its just dues. Then, again, I would like to point out this: you have probably no idea of this so-called trapping system in vogue. Of course, you have heard of these cases and you read of them, and you see remarkable punishments meted out, but the licensed victualler must be protected against this wholesale trapping, because I undertake to say that the very largest and most important houses in the liquor trade, including even the largest wholesale houses, can be as easily trapped as the small canteen keeper who serves to the kaffir. And we have had very many instances of that nature, and I consider, therefore, that the man who has vested interests in his trade should have a certain amount of protection, and not be open to that awful drastic punishment the same as the man who defrauds the State of its just dues.

There might be another view of that. A man in whom the Government places trust, which it really does by conferring on him a licence, ought all the more to be jealous of this trust, and punished for betraying it.—Exactly, but I don't think that that man should be so severely punished, because if you give that man a certain trust and repose confidence in him, I venture to think, and it has been proved in other parts of the world, that the respectable licence-holder, with interests at stake, will be the best possible detective for the prevention of the contravention of the Liquor Laws generally, and you must not give too much latitude to the officials to ensnare these people into the commission of crime. That is all that the trapping system means to-day. I have seen instances where large hotels here—it is not necessary to give the names, but I can give them to you privately—two of the largest hotels in Johannesburg—have been ensnared into the commission of a crime by the trapping system, and not long since. I should say the combined value of their two properties would be over £100,000. These people being ensnared into the commission of this crime, I think it would be very unfair that men of such position should be subject to imprisonment.

The trapping system.

I suppose it is a case, as you put it, of ensnaring people; in that case the magistrate would not bring about any conviction.—I am sorry to think you perhaps have little knowledge—and perhaps you ought to be pleased of it—with the method adopted in the Criminal Landdrost's Court, or else you would not have made that remark.

Stamped liquor measures for natives.

Now, you say natives should be allowed under certain restrictions to be supplied with a certain State measure, a stamped measure. How can you prevent that kaffir from returning again with a measure he might get from somewhere else, and getting a third or fourth dose?—It is possible I have not made myself clear. First of all, everything will depend upon the quality of the people to whom the licence should be granted. For that purpose I have made certain recommendations earlier in my declarations. I should like to go further by suggesting that the security bond for the due performance and the legal performance of business on the premises where a kaffir may get liquor should be increased to about £1,000. Then, coming back to your

Security for obtaining liquor licenses.

question, my suggestion was intended to convey this: that the houses which are licensed to sell to kaffirs shall be supplied with State stamped measures, that these measures should be under the supervision of an Inspector of Weights and Measures, that in the event of any measure not being quite perfect the owner should be punished. The kaffir should not, under that regulation, be allowed to come with a measure at all. He goes to the house and calls for his liquor, which should be meted out to him in that State measure.

Stamped liquor measures for natives.

Yes, and then he goes and gets another lot.—Yes; I am coming to that directly. The quality of that liquor should be thoroughly supervised by excise officers, and that any man who gave more than measure—that is to say, he might give it in a larger glass for sake of competition—shall forfeit his licence and lose his surety bond. With reference to another lot which you have mentioned, that could be easily controlled by the mine management itself.

It is hardly possible for a mine manager to run after every kaffir, you know. When they are off shift kaffirs go about as they like. There is, unfortunately, no compound system here.—It has not been difficult in the past to get as many permits as were required. Under a regulation of this nature, I don't say my suggestion is an entirely perfect one, but I certainly believe that it would be beneficial to all parties concerned. You must bear in mind this, and I am really sorry to say it, that the good people to-day are suffering very severely on account of the bad. The illicit traffic to-day is larger than it has ever been. It is a fact that nearly 10,000 cases of whisky were sold last month. This means 120,000 bottles. Say that the average price at which it was sold was 5s., the product was £30,000. I want to point out to you that the Mercantile Association strongly favoured the movement of the mining industry in regard to the liquor business. They were afraid, and perhaps justly so, that if the kaffir could get his liquor *ad lib.* the storekeeper would materially suffer; and, on the other hand, that the abolition of drink would improve their business materially. Now, it was only last week that I was in communication with one of the important members of the Mercantile Association, and what do we find? That the shopkeepers' returns to-day are very much less than hitherto. I say, therefore, if you make further restrictions that there will be a greater illicit sale of liquor, and that the kaffirs will pay not 5s., but, on account of the risk these people run, 10s., and the storekeeper will have nothing at all left.

Extent of illicit liquor traffic.

The Johannesburg Mercantile Association and the liquor traffic.

But if imprisonment was made the punishment for an infringement of the law this illicit traffic would soon be put a stop to.—I don't think you will thoroughly root out the illicit traffic. In every part of the world the greater the restriction in any direction the greater the illicit trade. It has been proved very largely in England of late years, where the liquor laws are perhaps more severe than in any part of the world. In certain parts of Wales was introduced what was practically total prohibition, and very shortly after that they found there were more illicit dealers than there had been licensed houses.

Possibility of abolishing illicit liquor traffic.

I don't think we can draw a parallel between Wales and this case. There are, so to speak, no aboriginal races in England.—I will give you an illustration nearer home. In the Orange Free State there is supposed to exist total prohibition. In 1895 there was imported into the Transvaal Republic something like 180,000 gallons of Cape kaffir brandy. In the same year there was imported into the Orange Free State—which is, of course, a much smaller country than this, and has a much smaller population—something like 130,000 gallons.

I don't think that is any proof of your contention.—I will go nearer, then. In Natal there is a prohibitive law. Of course there is no labour required there. Yet it was only very recently that five of the most important hotels in Maritzburg were

convicted for having sold to natives, and the magistrate, in fining them, stated his regret that he believed this illicit traffic had been going on for years. I may tell you that on appeal they won their case, and the conviction was quashed.

Repeal of Liquor Law inadvisable.

If this law is repealed we shall revert to the old state of affairs, and very little work could be got out of the kaffirs.—I am quite of your opinion. But I don't think that state of things would be brought about if the mining industry would exert themselves to assist the honest licensed victualler to bring about a better state of things. There is no doubt that several people hold licences who never ought to have held them. We cannot deny the fact that in many instances mine managers, or mine employees, have encouraged, by recommendations and otherwise, the granting of licences to certain people, and I think if you can accept a compromise of this nature, and try for three months, I feel you would have less trouble with regard to illicit traffic, and when the men to whom these licences are entrusted are under strong securities, they will assist in the abolishing of this filthy illicit traffic now existing.

Sale of liquor to natives by licenced victuallers.

Mr. *Albu.*

You are the chairman of the Transvaal Licensed Victuallers' Association ?—Yes.

The object of this Association is to protect their members, who are licensed victuallers ?—Not against illicit traffic.

I regret I cannot possibly ask you any questions on the subject at all, for you well advocate, in your capacity as chairman of this Association, that the law against serving natives with liquor should not be abolished as far as it concerns licensed victuallers.—Yes.

Total prohibition of sale of liquor to natives advisable

And my experience is that it should be abolished; and that to supply natives with drink in fair measures or indiscriminately, as during the past eight years, is simply a dark blot on humanity. I shall ever advocate the total abolition of the sale of drink to natives. Your duty as chairman of this Association dictates a different policy, therefore it is quite useless for me to ask you any questions on the subject. It is quite true, as you say, that no matter what happens you can never reduce the illicit traffic, but there is no law yet strong enough that has prevented men from committing crime such as theft, murder, or any other crime. If the decision of the Volksraad be upheld that natives should not be served with strong drink, and no matter how heavy the punishment of those who commit the crime, you will never be able to stamp it out altogether, but that should not be the reason why the Raad should not, in the interest of the industry, and for the welfare of the natives, be asked to uphold their decision.—It is unnecessary to answer you, as it would only lead to a controversy as to individual opinions. There are, however, one or two things I would like to mention. Of course, as you say, although you have severe laws, there are crimes which will always be committed. Still, in other countries where strong laws are in existence, the system of improving matters is regulated by Act of Parliament.

Vested interests of liquor trade.

But I would like to point out this to you. Assuming for the moment that you are right in your contention as to the abolition of drink with reference to kaffirs, you must not forget that the law, as it stands at present, is very far-reaching in its calamitous results. Under Article 16 of the present law, it is provided that no man shall be allowed to retain his licence on certain prohibited areas. Now it must be borne in mind that the collective vested interests in these houses falling under Article 16 are really enormous, and not only would the people then according to your argument be deprived of selling to kaffirs, but also from following their business so far as the whites are concerned. I can assure you that the values sunk in properties are very large indeed, and most of these people have held their licences for a considerable period of time.

I don't want to ask you any questions but you talk of these vested interests and ıe of them under the guise of respectability are not ashamed to import the vilest of ff they get from Delagoa Bay. You talk about their value, but what about the ue of the interests of the mining industry here?—If you had been here earlier you uld have heard my opinion of this adulterated stuff. I maintain that these values a matter which should be considered. I know some houses that have been offered, properties, £9,000 and £10,000. The mining industry must be supported, and no ht-minded man would do anything that would hinder its progress. But I say this, t licence-holders, as subjects of this land, must have their trading liberties respected; l, while giving the mining industry the whole of its due, I am positive that this vernment will take into consideration the interests of the masses generally. When poke about these laws I touched upon Article 16; but it must not be forgotten that s agitation brought about Article 17, which, I say, does not mean the abolition l demolition of millions of pounds of vested interests. The property owners have yet begun to feel the shoe pinch, but eventually, if this law comes into force, they l find the huge amount of rental they have lost. A law of this nature—which, I ıtend, encroaches on the liberty of the subject—is guarded against in the Grondwet, l I ask who is going to compensate these people for their loss.

Vested interests of owners of licensed premises.

Chairman.

Do I understand from your evidence that the law does not apply equally to all ensed dealers?—I am sorry to say, in my opinion, it does not. I have found very ny instances where unlicensed dealers wilfully and illegally selling liquor to kaffirs whites in contravention of the law have been fined much less in a good many tances than the licensed victualler who has been trapped in the commission of a ght offence. Then, again, I mean that the officials take a great deal of trouble with smaller dealers and hotel-keepers, and so forth, while the more important houses, ich should set an example of good conduct, are entirely left alone, and are frently known—not, perhaps, intentionally—to break the law, perhaps in a higher gree than some of those smaller men who are trapped.

Unequal administration of Liquor Law.

That is almost a direct accusation against the officials that they have not been plying the law properly. The judge decides each case according to the evidence.—hould be very sorry to cast any reflection upon any official in Johannesburg.

Your regret is too late, you have already done the evil.—I was going to explain.

I understand you do not approve of the present Licensing Board?—I might have de the inference, but I did not say so.

The Licencing Board

What is your idea with regard to the Licensing Board?—I mean to say that the ensing Board should be resolute and firm, and should have under its control all tters in connection with licences. We have on many occasions seen that the ensing Board have been too lenient, and what is wanted is a resolute Board that ll carry out its duties, and only grant licences where necessary. My object in ntioning this question of a firm Licensing Board was that I have, on one or two asions, protested very strongly against the granting or renewal of a number of ences, and I have been met with the taunt that my protest was only entered on ount of trade jealousy, whereas, in fact, what we want to see is the trade in the st respectable hands.

That is also a question of opinion, of course. That is another accusation against Licensing Board. One always wants a change, but whether the change would be the better is another matter. Take this Board away, which is perhaps too kind d too lenient, and you may get another one in its stead which, perhaps, would be severe against you and too kind to somebody else. Now, touching the case

generally, you are only dealing with large vested interests of licensed victuallers, and you have even gone so far as to make an appeal to the Grondwet, which protects the liberty and possession of every individual. My view of the matter is this, that if the general interests of the gold industry and the working power of the kaffir is sapped by liquor and injured, the lesser interest must give way to the greater. It is an indisputable fact that the liquor traffic saps the working power of the kaffir, so that it is impossible to keep control over them. You want to protect the large dealers in liquor, and you want to put the blame on the small retailers, but it was not these who imported the bad liquor, and the people whose chairman you are should watch the importation of bad liquor.

Comparative importance of liquor and mining interests.

Mr. *Hay*.

The commission of enquiry into the liquor question, May, 1896.

In your statement you refer to what took place in Pretoria in May, 1896. You wrote that from memory?—Will you kindly refer me to the point to which you allude.

"I had the honour of appearing before the Commission in May, 1896, and Mr. James Hay, the Chamber of Mines, and I, offered similar proposals, especially with reference to the kaffir liquor traffic. Mr. Hay pointed out the kaffir should have his drink, but it ought to be only meted out to him in State defined and stamped measures." I don't think that is correct. I will state what took place. When I appeared before the Commission I pointed out that the law, as it stood, was good if it were carried out. The native was prohibited from getting drink, except with the permission of his master. Therefore, if the master carried out his duty, he had the regulation of the law in his hands. I then pointed out that in the law there was a certain anomaly; it provided that a native could not be proceeded against if he had in his possession half a bottle of brandy, and the consequence was this, that although natives were found in possession of liquor they could not be prosecuted as long as they had not more than half a bottle, and by that means liquor was taken into the compounds in considerable quantities, and evil arose. I suggested that that should be expunged from the law. Mr. Van den Berg, who presided over that Commission, asked me whether I was in favour of total prohibition to natives, and I said yes, if it could be properly carried out. Is not that what took place?—It is only a question of memory. I am certainly under the impression that you advocated what I said in my declaration.

That is what took place.

Mr W. R. Brown's evidence.

MR. W. R. BROWN, representing Barberton Chamber of Mines, was called and duly sworn. He said:

Evidence of Johannesburg witnesses.

Price of dynamite at Barberton.

Quality of dynamite.

I have little to add, gentlemen, to what has been said by the Johannesburg witnesses, as they have dealt with the various matters very thoroughly, and I, as representing the De Kaap district, fully endorse what they have said. Dynamite at Barberton costs £5 to £5 1s. per case, and the price has been recently raised 5s. per case, for which action we have received no satisfactory explanation. Mine managers in my district were almost unanimous in stating that the quality of dynamite is not equal to that of the early days, and consequently, in our hard ground, many of the mines use blasting gelatine, which costs, delivered on the mines, £6 5s. Being so near to the port we do not understand why we are charged a higher price for dynamite than is paid by mines on the Rand. Miners complain bitterly of the manner in which dynamite is packed. Many cartridges arrive so much out of shape that the miners are compelled to cut the cartridges down the centre in order to get them into drill holes, and this practice has resulted in many accidents. On the Sheba there was an

Accidents through bad packing of dynamite.

ident two months ago. Dynamite can be laid down in Barberton *via* Delagoa at s. per case. The average cost of driving and sinking on our mines amounts to 18 : cent. of the total cost. This question of coal is becoming a serious matter with us. many instances mines would put up milling plant, provided coal could be laid wn at a reasonable rate. At present the price is too high for us to use it for ving our batteries. It costs about 30s. per ton. I may mention these mines are hly prolific. We are desirous of sending our concentrates to Johannesburg for atment, but the railway rate of £4 per ton is prohibitive. We prefer to ship them Delagoa Bay to Europe for treatment. The next question I would refer to is the lage to the port. I do not wish to bring any statistics, but I will give one instance. small parcel of wagon wood costs in Cape Town £5 13s. 9d., and the railage from pe Town to Barberton was £10 2s. Another instance is in connection with the rberton Waterworks. I have not the exact figures, but I have them approxitely. The railage, cartage in England, and ocean freight came, roughly, to £500, l from Delagoa Bay to Barberton it cost about £2,000—and that for public works. have not been able to get any remission of railage rates. There are bitter comints from merchants with regard to claims for loss in shortage. Proof can be proed, if necessary, that claims for damage and shortage, even when certified by the f at Barberton, are seldom, if ever, recognised by the head office in Pretoria. It is most difficult thing to get these matters settled with the railway company, and ple, unless the sum is considerable, prefer to lose their money rather than go to toria to sue the company. We feel it would be only fair and right if we were owed to sue the railway company up to a certain amount in our local Court. It nes very hard on people to have to lose their goods and to have to incur the expense coming to Pretoria to sue the railway company. Another point is the right of the lway company to impose fines. There is one instance I will name. A parcel of alie meal of 50 bags arrived from Delagoa Bay about a fortnight ago; the invoice s lost through no fault of the consignor or consignee; it was lost in the post, and fore another invoice could be obtained, a charge of £8 10s. for storage was imposed the consignee, although the meal had been stored in a warehouse he had rented m the railway company at the railway station. The question of native labour is coming a very serious matter with us in Barberton. Up to quite recently we never d any difficulty in getting the number of natives required. It is a difficult ing to talk about, because the best heads in Johannesburg have apparently not been le to deal with the matter satisfactorily. I do not think we would have any difflty in getting the small number of natives we require if it were not for the fact at natives who are travelling, and intend to come to work in Barberton, are taken ay against their will by touts to Johannesburg. We would like to have some ethod adopted by the Government to put an end to this interference with natives. do not know that I am in order in dealing with the matter of Government surveys.

Possible price of dynamite at Barberton.

Price of coal at Barberton.

Railway rates.

Maladministration of Netherlands Railway.

Native labour difficulty at Barberton.

Government surveys.

Chairman.

Yes; if you have anything to say we will be pleased to hear it.—It is merely is, that in a district like ours, where claims are taken up, as a rule, by poor prosctors, the new law with regard to Government survey presses very hard on them. I n quite understand it is not the same in Johannesburg; the conditions are quite ferent. In our district it has absolutely put a stop to prospecting. There is a small tter of purely local interest I would like to mention, and that is the question of ilities for inter-communication between the different mines. As the Chairman is are, ours is a very rough country, and we are very badly off for roads. That has en brought before the Government by memorial. If it is within the province of

Barberton roads.

this Commission we would be very glad if some recommendation were made that the Government should assist us in this matter; more especially a road that would connect Barberton with the goldfields, which would be extended later on to Swazieland, and tap the tin mines in that district.

Quality of dynamite.

I want to examine you with regard to the dynamite monopoly, more especially as it affects Barberton. You not only complain, I understand, of the expense, but also of the quality?—Yes, more especially because of the bad state in which the dynamite reaches us.

Price of dynamite.

You say you can lay down dynamite at Barberton for 53s.?—Yes, we import it by Delagoa Bay.

Railway rates on coal.

Then with reference to coal. Can you say what you would consider a reasonable price to pay on coal from Brugspruit to Barberton?—Well, my idea of a reasonable price for that would be about ½d. per mile.

You would be satisfied with that?—Well, yes.

Maladministration of Netherlands Railway.

Now with reference to the other complaints about the fines imposed by the railway, and invoices being lost. Can you not hand in some documents bearing on this matter?—Yes, I have a letter here. I have a letter from the person who made the complaint in question.

Will you be able to let the Commission have the documents in this case; could you send them in to the secretary?—Yes. I can let you have the documents, as well as sworn declarations. This is only one case. There are many others of a similar nature.

Native labour.

With respect to native labour. I understand that the only complaint is that while boys are coming to Barberton they are caught by Johannesburg touts?—Yes, that is the only complaint we have in the matter of native labour. I can give instances. I have boys on two of the mines with which I am connected, who have walked to Swazieland, knowing that if they went by Komatie Poort they would be caught by the touts.

Government surveys.

Now, regarding the survey of claims. This matter does not, I think, lie within the scope of this enquiry, but as it is in the interests of the industry, I would advise you to bring the matter to the notice of the Barberton Chamber of Mines, who could work through the Minister of Mines to the Government.—Thanks, Mr. Chairman. I brought it to the notice of the Commission in the interests of the industry.

Mr. *Joubert.*

Coal—quality.

I only wish to ask if the coal from Belfast is worse for mining purposes than that from Brugspruit?—Oh, no! I only gave Brugspruit as an instance, because of the distance.

What I want to know is if there is any difference in the quality of the coal?—That I cannot say say; I have not gone into the matter.

Mr. *Schmitz-Dumont.*

Gelatine.

Do you know whether the managers are satisfied with the blasting of the blasting gelatine?—Yes, they are, so far as I know, satisfied with it. They only complain that they have to use it in place of dynamite. The blasting gelatine certainly does heavier work than dynamite, but if the dynamite was as good as it was in the old days, they would not need the gelatine.

Mr. *Hugo.*

White labour—supply and wages.

With respect to the question of white labour, is there any difficulty in your district?—We have no difficulty in that matter. We get as many good men as we require at fair wages.

How do these compare with Johannesburg?—I do not know what the rate is at Johannesburg. We pay a miner from £18 to £22, or even up to £25 per month. Carpenters get £5 10s. to £6 a week, while for native labour we pay at the rate of about 50s. per month.

What is the cost of living? Do the white men complain of the cost of living?—I never heard of any complaints. Cost of living at Barberton.

How does the cost of living compare with Johannesburg?—That I cannot say. Many of the men get free quarters, and then feed themselves. Since the special duties have been taken off, I should say that they have no complaint in our district. In the old days, when the old duties were in force, they had cause to complain, for then there were many things which a miner could do with which he could not have. Under the present conditions, however, they had no cause for complaint.

Mr. *Brochon.*

What is the charge for living at the boarding houses?—Well, there are no boarding houses.

But big mines like the Sheba have boarding houses on the property; is that not so?—Yes, there are boarding houses on some of them, but the men do not use them much. On the Sheba mine, I believe, the men pay about £6 10s. a month. Sheba mine boarding houses.

Have you read the evidence given with regard to married men at Johannesburg?—No, I have not read that specially.

Do you think the married men can live on £20 or £22 per month?—Well, with married men there is a difference. I should think that a married man could ust live on that and little more; that is, after he has paid his household expenses, food for his family, etc.

Mr. *Brakhan.*

Is it usual to give the married men quarters?—Well, that depends to a great extent on the managers. Married miners' quarters.

For the single as well as the married men?—No.

Mr. *Albu.*

How do you arrive at the cost of dynamite to be 53s.; is that from merchants?—Yes; in Johannesburg. Price of dynamite.

Mr. *de Beer.*

What is the cost of production per ton?—I have no statistics on that point.

You say that Johannesburg employs touts for the kaffir labour. You have the right to do the same thing.—Yes, but we have not the wealth. We complain of boys leaving their homes to come to Barberton and being intercepted, and practically forced to go to Johannesburg. Native labour.

Mr. WILLIAM SHANKS was next called and duly sworn. He said: Mr. W. Shank's evidence.

I am the manager of the Barberton Consolidated Mine. I have not made any statement, as all the questions have been so thoroughly thrashed out by the Johannesburg witnesses; but I will hand in a table of figures showing in detail the cost of the mine for the last four months so as to give you an idea of the various items. I have a few remarks to make on native labour. You will notice from the statement that the native labour is by far the largest item of the cost. To begin with, these costs are for developing and not for the mines running in full operation. It is not the amount we pay the kaffir per month that runs up that cost; it is the fact that we Native labour—supply and cost.

have no guarantee whatever that we can keep up the supply. To-day probably may be fully supplied, and next week we may be many natives short. The boys cl out without giving notice. This is a matter which affects the whole of the gold min industry of the Transvaal, and, in my opinion, it has to be dealt with chiefly by mining community of Johannesburg and the Government. The question of efficie is one which must be dealt with. I think they should get the boys to work fo fixed time, say with a minimum of 8 or 12 months. Then we should get much hig efficiency out of them than we do at the present time. By far the dearest natives those who get paid the lowest wage, these being the green and untrained boys. T the largest percentage of those who are getting used to the work leave. No should think that if there were a committee appointed in Johannesburg to deal w this question, consisting of representatives of the Government and representatives the mining industry, and if they legislated in the direction I have indicated to kaffirs to bind themselves for 8 or 12 months, I think we should derive much ben This same unreliableness of the natives also affects the cost of our white labour. have always to keep a full supply of white labour whether there are sufficient nati or not, because if we are short we may always get others from time to time. To anything in this matter the whole mining community must be unanimous. Th have lately reduced the kaffir wages, and it is a well-known fact that many of mines have not stuck to the agreement. They have been very unanimous at Mine Managers' meetings, and afterwards many have paid the natives just what th pleased. Of course the chief cause of this want of co-operation is due to the fact t it is rarely ever that the native supply is equal to the demand. But I think if companies were unanimous, not only on the wages question, but on other points, su as the making of some arrangements binding them to work for a fixed time, that t mining community in general would greatly benefit by it. But, as before stated, must have the co-operation of the Government in carrying out any scheme we m formulate as regards the price of white labour. I have read some of the evider given before the Commission, and, under present conditions, I agree that we cann reduce the cost. Taking the mines in this country, we find that they are in a tota different position to what they are in Europe, where they have to do the work the selves. In this country they are more in the position of foremen to look after many natives, and for this reason we have to select the best men for this purpose, a therefore many miners who come to this country are not suitable, and they cann get employment unless there is a scarcity. The cost of dynamite has been fully de with by other witnesses, and I myself use only the blasting gelatine. If you look the cost of that as before you, you will see that is very heavy. It is something li £6 per case, buying 50 cases at a time. If we could get it for about half the price t reduction would materially assist us. With regard to the railway rates, I had a sm consignment of goods from Johannesburg, and it cost me at the rate of £8 or £10 ton, and this seems to me to be out of all proportion.

Reduction of native wages. Want of unanimity among mine managers.

Co-operation of Government required to lower white wages.

Cost of gelatine.

Railway rates.

Mr. *de Beer*.

Percentage of costs of labour at Barberton to total working costs.

From the statement before me it would appear that the labour ranges from per cent. to 70 per cent. of the total cost, and then you must allow about 7 per ce for food. Can you explain why Barberton is so much higher than the Witwatersra which is only from 50 per cent. to 60 per cent.?—The reason I have pointed out that these figures are for development, and at present we have no machinery at wo as is the case in Johannesburg. Therefore our percentage of expenditure on labou less.

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ecember, 1896 to March, 1897.

ER" DEVELOPMENT.	January Cost per foot.		February Cost per foot.		March Cost per foot.		Average Cost per foot.		Percentage.
	s.	d.	s.	d.	s.	d.	s.	d.	
n wages ...	62	9·908	59	9·699	61	8·636	54	11·703	30·527
wages	55	6·646	72	1·808	73	6·000	60	2·721	33·443
res	31	6·615	21	3·726	30	10·909	23	8·252	13·153
g	4	3·785	3	5·918	4	10·909	3	10·707	2·161
nts	0	1·846	0	2·466	...		0	1·767	0·082
... ...	15	2·585	13	6·247	17	1·091	13	4·183	7·412
... ...	1	4·677	1	1·151	1	3·273	1	2·262	0·660
... ...	5	11·723	3	0·082	11	11·864	5	7·444	3·121
... ...	4	9·784	4	1·068	3	6·364	3	11·865	2·215
ores	1	1·108	0	11·918	2	9·818	1	4·556	0·766
neous	0	1·385	0	6·082	0	6·818	0	5·294	0·245
Totals ...	9	8·769	10	6·630	11	8·182	11	2·301	6·215
Footage ...	192	8·831	190	8·795	219	11·864	180	1·055	100 000
	32 ft. 6in.		36 ft. 6 in.		22 ft.		32 ft.		

ION" EXPLORATION.	January Cost per foot.		February Cost per foot.		March Cost per foot.		Average Cost per foot.		Percentage.
	s.	d.	s.	d.	s.	d.	s.	d.	
n wages ...	10	10·857	21	6·085	30	1·350	20	1·165	45·150
wages	8	11·714	11	8·282	12	7·050	11	0·587	24·823
res	5	5·476	4	0·282	13	0·500	7	1·832	16·069
g	0	3·679	0	2·155	0	8·550	0	4·353	0·815
nts	1	9·500	2	11·746	3	6·300	2	6·421	5·695
... ...	0	1·178	0	2·704	0	3·600	0	2·589	0·485
... ...	0	10·107	0	1·268	0	1·125	0	3·125	0·585
... ...	0	7·679	1	0·253	1	9·150	1	1·717	2·568
... ...	1	7·572	1	7·986	2	3·525	1	8·352	3·810
ores									
neous	30	7·762	43	4·761	64	5·150	44	6·141	100·000
Totals ...	84 ft.		71 ft.		40 ft.		61 ft. 7½ in.		
Footage ...									

Expenses.

There is a charge of 13 per cent. to 19 per cent. for explosives; that is also higher than in Johannesburg?—I suppose it is because our rocks are so hard.

Comparative cost of explosives at Barberton and on the Rand.

Mr. *Schmitz-Dumont.*

Can you tell us the cost per ton for dynamite?—In the main shaft the average cost per foot is 23s.—that would be about 3s. 4d. per ton.

I know mines in the Rand who spend 6s.—That is probably due to drilling with rock drills—explosives for that are always very much higher.

On the Rand it varies from 6d. to 6s. per ton.

Mr. *Brakhan.*

Can you give us the size of the shaft?—The inside dimensions are 14 feet by 6 feet. It is a vertical shaft of three compartments.

Well, the cost does not seem to be excessive. Do you timber the shafts?—We have not divided the cageway yet. It is only partially timbered on account of the hardness of the rock.

Mr. *Brochon.*

What do you think about the quality of dynamite used on the Rand?—I really do not know much about dynamite. I have tried it on several occasions. I tried it at the Metropolitan five or six years ago, but the fumes were so bad, and I did not get the efficiency I considered necessary, so I turned to using blasting gelatine. I think there is very little to complain about blasting gelatine. What I complain about is the cost.

Quality of dynamite and blasting gelatine.

Mr. G. A. Denny's evidence.

Mr. G. A. DENNY made the following statement:—

I have been asked by the combined Klerksdorp Chamber to represent them before this Commission. I was lately resident in Klerksdorp as general manager of the Klerksdorp Proprietary Mines, Limited, and consulting engineer to the Buffelsdoorn Consolidated and Southern Klerksdorp Companies, and was elected vice-president of the Chamber of Mines. I am an Australian, and was educated in Victoria as a mining engineer, and have practised as a consulting engineer in London, and have in a professional capacity examined mines in many countries of the world, including Hungary, Canada, U.S.A., Central America, Australia, and Tasmania. I came to the Transvaal in 1893, and have since been actively engaged in the pursuit of my profession. The combined Klerksdorp Chambers have themselves drawn up a statement, which they wish me to present to this Commission. Before doing so, however, I would like to make a personal statement dealing with the present condition of the district. I have carefully read through the evidence given, and the statements made by previous witnesses, who have, however, confined the applicability of their remarks more especially to the Witwatersrand district. It is obvious, if the evidence which has been adduced in support of the contention that the mining industry of the Transvaal is labouring under extraordinary burdens be a true reflection of the conditions which have conduced to its present low vitality, that the Klerksdorp district is burdened more heavily than that of Witwatersrand, for the following primary reasons: (1) The average lowness of grade of its reefs; (2) Its outlying position. It is an axiom throughout gold-producing countries that a mine of proved richness, and even of only moderate payability, will directly influence the prospective value of the immediately adjoining properties, and indirectly affect that of a whole area within reasonable distance. Such being the case, it follows that, as long as the postulated mine is producing gold profitably, there is some reason to hope that intelligently

Personal statement.

Klerksdorp district—its burdens.

directed prospecting of other areas within the stated reasonable distance, will develop an equally profitable ore deposit, and hence the district is regarded as one of possibility, and enterprising companies can always be found to work therein. Given, however, on the other hand, that a district is one which has only a record of failures to show, which can only keep one or two mines running along precariously in a hand to mouth manner, and what is the result? There is no room for hope of possibility based upon an actual successful mine; the district suffers in times of inflation from the machinations of the wild-cat promoter, who, without thought of intrinsic values, saddles the public with useless properties at exorbitant rates, and when the bubble bursts, saddles the district with a name which spells "fraud" to the minds of the investing public. The latter description is eloquent of the condition of Klerksdorp to-day. Boomed with extravagant reports and estimates in the excited months of June and July, 1895, the punctures in its armour caused by the suspension of operations of company after company, have only too surely reduced it to utter collapse. It has now clearly been shown that the characteristic feature of the district's auriferous resources is bodies of banket ore, averaging about 20s. per ton in money value, in many instances 20 ft. or more in width. The output of the Robinson, Wemmer, and other rich mines in the Witwatersrand district, prove that the wealth of their ores is more than competent to balance the evil of excessive dynamite costs, railway rates, etc., which have been so fully ventilated before this Commission, and the effect of such a demonstration is two-fold. Firstly, it maintains the commercial status and credit of the towns which in parasitic growth cluster around them; secondly—and, if possible, more important still—it maintains the courage of directors and shareholders in mines which are not certain from month to month on which side the balance of profit and loss will fall, and stimulates again, indirectly, commercial development. In the Klerksdorp district, there is, unfortunately, no such stimulus. Company after company has initiated work with great anticipation of success, and without exception the companies which have reached the milling stage have proved either unprofitable or only profitable enough to show a very slight amount above the working costs. The district as a whole, then, gentlemen, is reduced to this basis: (1), reduction of working costs; (2), abandonment of operations. Of 25 companies holding property in the district, only seven are working; namely, two, the Buffelsdoorn Estate and Gold Mining Company, Limited, and the Eastleigh Mines, Limited, are producing; one, the Klerksdorp Gold and Diamond Company, engaged in mill erection; and three, the Eastleigh Deep, Eastleigh "A," and Buffelsdoorn Consolidated Gold Mining Company, engaged in prospecting their holdings; and one, Ariston, working on tribute. The remaining companies and scores of syndicates are lying dormant, awaiting the advent of conditions more in keeping with the average grade of their ores, before attempting to re-start work. The whole vitality of the district, therefore, is contingent upon the provision of such conditions as shall make the exploiting of the Klerksdorp low grade ores a commercially successful venture. And here the mining industry and the Government of the country meet upon common ground, for in the death of the one is involved firstly, heavy losses to the pastoral and agricultural industries of the district; and secondly, and more directly, a serious loss of revenue. The industry and the Government have therefore to contend against common conditions, which are inimical to their progress, and the question arises in what way is the common danger to be avoided, and the languishing industry rehabilitated and re-vitalised. The voluminous expert evidence already given before this Commission makes it superfluous to again illustrate the facts that have been adduced under the heads of dynamite, railway rates, etc. It has been shown that a reduction of rates, and the abolition of the dynamite concessions will secure the first step in those

Reefs of Klerksdorp district.

Companies of Klerksdorp district. Failures.

Working companies in Klerksdorp district.

Improved working conditions required.

Common interests of Government and mining industry.

Reduction of railway rates and abolition of dynamite concession.

ameliorating conditions which are absolutely essential for the vitality of a district like Klerksdorp. Given low rates of transport and taxation only of such articles as the country can itself legitimately produce, and the now distressful burdens of living will be reduced, and in direct proportion will it be possible to reduce the costs to the mining industry, under the heading of white labour. The pay of the kaffir should be reduced by nearly one-half its present rate. I may state in passing that in the mines of Hungary, the white miners under my control were paid at the rate of from 10d. to 1s. for 10 hours' work; mechanics, such as carpenters, smiths, fitters, etc., at the rate of 1s. 3d. to 1s. 6d. per day. In all cases these men housed and fed themselves. The climate of the country is extreme. Contrast with this the condition of the kaffir. From his earliest infancy his wants are practically supplied by nature. The desire for comfort, and the ambition to occupy any particular social distinction, requiring luxurious display, is absolutely unknown. He lives in a climate which is one continuous sunshine. Whence then the necessity for paying him coin in the quantity which he demands, a quantity which is perfectly fictitious, and only arises from the fact that he has a natural aversion for work, and therefore the demand for his labour exceeding the supply which spontaneously offers, creates a competitive market, of which he is not slow to take advantage. It seems to me that the one final method of reducing kaffir pay rests with the Government. It has the power to create laws which shall compel every able-bodied kaffir to perform a given amount of work per annum. A system somewhat of this kind was put into practice by the Government of the Republic of Guatemala. The Government watched with growing anxiety the gradual shrinkage of the country's revenue, and decided to make a bold step for the purpose of augmenting it. In pursuance of this, they enacted a law that every able-bodied resident of the country should sow a certain area of ground with coffee, or, failing personal performance, should pay the Government an assessed amount of coin for the provision of a substitute to do the work. The plan proved a perfect success. Guatemala is to-day the most prosperous of the Central American Republics. The institution of a modified scheme to meet the special conditions of this country, would, I believe, be of great assistance to the mining industry, and through that to the State. Under such compulsory methods the hordes of idle, and, at present, useless kaffirs, who reside within the territory of the South African Republic, would become a factor of economical importance in the staple industry of the State, and the question of want of native labour would vanish from the horizon of practical work. From a manufacturing standpoint, the Central American Republics may fairly be classed with the Transvaal. I had occasion to import certain machinery and supplies from the United States, and from England, in the carrying out of mining operations in the Republic of Honduras. The Government notified me that absolutely no import dues would be charged on goods of any class whatsoever, so long as it could be proved that they were *bona fide* for use in the operation of my company, or for the company's employees. It was further stated that the Government was so anxious to foster the mining industry in their country that they would assist in every possible way to meet the wishes of its responsible representatives. In consequence of these concessions there is a growing feeling of confidence in the status of the Republic; and its mineral resources are under exploitation by many wealthy London corporations. A modification of such policy on the part of the Government of this country would undoubtedly lead to a cheapening of the necessaries of life; and specially the treatment of the industry with more confidence and republican spirit, would inevitably result in an activity that would be for the lasting benefit of the State. In Victoria, Australia, not only does the Government do all in its power, in its administrative capacity, to assist the mining industry, but it actually votes from £200,000 to £300,000 each year for the purpose of assisting prospectors to develop

Reduction of cost of living necessary.
Native wages.
Hungarian miners' wages.
Conditions of Kaffir miners.
Forced native labour.
Forced labour in Guatemala.
Comparison of taxation of imports in Central American republics and in the Transvaal.
The Colony of Victoria and its mining industry.

their holdings; the course being for the Government, upon approved opinion, to advance £1 for every £1 spent by the prospector. In the event of the find proving valuable the money is repaid; in the reverse case no claim for repayment is made, the view being that, in stimulating the mining industry, good use is made of the money.

Agriculture and pastoral interests dependent on mining industry.

It is not necessary to point out, gentlemen, that a flourishing condition of the mining industry is a direct specific to agricultural and pastoral depression. Mining populations require all the produce of the farmers' gardens and fields, and his surplus stock. At present, and until the cost of gold winning can be reduced, Witwatersrand is the only profitable market, and only farmers fortunate enough to be within reasonable distance of Johannesburg can expect to derive any material benefit. Should, however, costs be reduced by the concerted action of the Government and the leaders of the mining industry, then such outlying districts as Klerksdorp, Heidelberg, etc., will revive, and the farming community, at points embracing the whole territory, will participate in the general prosperity. I have before stated that one strong reason why Klerksdorp should suffer in a greater measure from the imposition of heavy burdens than Witwatersrand, is because of its outlying position. The centre of the mining industry of this republic is Johannesburg. There centre all the depots of supply for the ordinary requisites of every-day work. An article costs in Johannesburg a certain sum, in Klerksdorp that amount is enhanced by the transport rates between the two points, therefore the working costs are higher. In the matter of labour, also, locality has a very great influence. Johannesburg being the seat of industry, it is quite natural that men in search of employment seek that as their objective point, consequently the majority of men in the outer districts are mere stragglers, whose competency may always be called in question. Precisely the same may be said in connection with the native labour. The most efficient working kaffirs are those obtained from the north and north-east of this republic. The Witwatersrand mines have always been able to take more kaffirs than were forthcoming, hence, again, Klerksdorp is only able to secure some few that filter through the main centre. These are seldom the best class of workers, and therefore their performance is poor and expensive in comparison with the average trained Rand kaffir. Klerksdorp indubitably is on the high road traversed by the Cape Colony and Basuto kaffirs, but for some months past these have been denied this route owing to the rinderpest regulations in vogue in the Orange Free State. In any case, however, as before indicated, the southern kaffir, as a workman, is distinctly inferior to the northern, and, moreover, entertains great prejudices against underground work. I have shown, therefore, that both in the matter of white and black labour, and costs of supplies, Klerksdorp suffers under greater disabilities than the Rand.

Klerksdorp prices.

Labour supply at Klerksdorp.

Dynamite.

Price of dynamite and transport charge at Klerksdorp.

The expenditure under the head of dynamite is likewise very seriously increased in Klerksdorp. The present price of dynamite at the magazine is 95s. per box of 50lbs. The transport rate per case from the dynamite factory to the Klerksdorp magazine is 5s. 6d., therefore the company not only makes an enormous profit on the factory sale price, but makes a further 4s. 6d. per case profit on the transport. Other witnesses have shown that it would be possible to lay dynamite down here, exclusive of Transvaal duties, at 42s. 7d. per case. The ruling rate for dynamite in Australia is about 35s. per case in Sydney, Melbourne, Adelaide, or Brisbane; that dynamite has to be transported from Europe, a distance of 12,000 miles, and is then sold at a figure about two and a half times less than the price at the Transvaal factory. The cost of blasting gelatine is 107s. 6d. per case, the concessionaires again taking a profit of 4s. 6d. per case on transport. Mr. Hennen Jennings has clearly shown the evils of concession-granting, and I entirely endorse his views. With the abolition of the dynamite concession a free market is opened, and if treated by the Government with that liberality

Australian price of dynamite.

Cost of gelatine.

Concessions.

hich the industry claims and deserves there is no reason why dynamite should not sold in this republic at 50s. per case. Finally, gentlemen, the case of the Klerksrp district is one which it is hoped will be proportionately weighed in your deliberaons, regarding the recommendations you may see fit to make to the Government. ith liberal concessions made, the district will live and expand; without them, it nnot exist excepting in name.

Mr. Denny then handed in the following statement:—

Statement of Klerksdorp Chamber of Mines and Klerksdorp Chamber of Commerce.

Names of Klerksdorp memorialists.

Mr. Chairman and Gentlemen,—We, the Klerksdorp Chamber of Mines and the Klerksrp Chamber of Commerce, representing the following mining companies: The Klerksrp Gold and Diamond Company, Limited, Wolverand Gold Estate and Mining Company, mited, Buffelsdoorn Estate and Gold Mining Company, Limited, Eastleigh Mines, mited, Westleigh Mines, Limited, Klerksdorp Proprietary, Limited, Niekerk (Klerksrp) Gold Mining Company, Limited, Rietkuil Gold Mining Company, Limited, frikander Gold Mining Company, Limited, Elandslaagte Gold Mining Company, Ltd., uffelsdoorn "A" Gold Mining Company; and merchants: T. Leask & Co., Teengs ros., A. Chittenden, Aldred, Lombard, James A. Taylor, J. Levenson, H. and J. Israel, '. Morton & Co., Gordon, Mitchell, J. Groth, Percival H. Read, Mackenzie & Co., E. 'yatt, H. Brown, Hamilton & Co., in acknowledging your circular of the 14th inst., questing evidence in respect to grievances and burdens of the mining industry, spectfully beg to point out that in this district there are 25 mining companies, with pitals amounting to over £5,000,000, of these but two are crushing and two developg, the remainder having closed down; and should no prompt and substantial relief be otained from the disabilities under which the mining industry is now suffering, more pecially those hereinafter enumerated, it is the firm opinion of these Chambers that e mining industry will entirely collapse. On the other hand, should such relief be btained through your advice and influence, we consider capital would be found, not ly sufficient for the restarting of the closed mines, but for still further exploration. he object to be obtained is a working cost of from 12s. to 18s. per ton of ore mined nd milled, to allow 5 dwt. or 6 dwt. mines to become payable propositions. To ccomplish this, substantial reductions are necessary in the cost of explosives, transort, European and native wages. The cost of No. 1 dynamite at the factory for 50 ses and upwards is 85s. per case, at Klerksdorp 95s. per case; whilst the cost of ansport from the factory to Klerksdorp is but 5s. 6d. per case, showing that the conessionaires not only receive their large profits from the sale of dynamite, but also ake a considerable further profit on the transport from the factory to their Klerksorp magazine. The cost of No. 1 A gelatine is 107s. 6d. per case at the ctory; this is retailed at 117s. 6d. per case, transport being at the same rate s for No. 1 dynamite, consequently the same advantages accrue to the conessionaires as from the sale of dynamite. The above are the only explosives used n these goldfields in quantities. Some of the softer rocks of surface workings would, owever, allow of the use of blasting powder at a cheaper cost than dynamite, if reater facilities were given for obtaining the same than at present. We would also all attention in relation to the foregoing charges that in the Orange Free State, 13 iles from our mines, the cost of dynamite is £1 10s. per case less than in the Transaal, while the Free State Mining interests are, as your Commission is aware, infiniteimal as compared to those of this country. No. 1 dynamite is also delivered at Kimberley at 52s. 6d. per case. We consider that the best way to alleviate the above ould be to allow of competition in the import of explosives, but should you not see our way to advise this course, as an alternative, relative to these goldfields only, we

Number, capital and actual condition of Klerksdorp mining companies.

Necessity of immediate reforms for mining industry.

Relief asked for

Price of dynamite and transport charge at Klerksdorp.

Gelatine — cost and transport charge at Klerksdorp.

Comparative price of dynamite in Transvaal, Orange Free State, and at Kimberley.

Free trade in explosives.

Suggested importation of dynamite for Klerksdorp via Kroonstad.

would suggest that the concessionaires be instructed to allow explosives to be imported direct to their Klerksdorp magazine *via* Kroonstad, Orange Free State; the mines in this district to have any advantages obtained from the more direct transit, over and above any reduction of the present price at the factory, which may be contemplated. Should this latter alternative be conceded, the following would be the transport from Port Elizabeth:—

Railway Rate to Kroonstad	... ...	4s. 9d. per 100 lbs.
Agent's Charges	... ...	0s. 4d. „
Wagon Transport	... ...	2s. 6d. „
		7s. 7d. per 100 lbs.

This would allow a saving to the mines of 10s. per case on the present Klerksdorp price, and a difference of 2d. per 100lbs. only in favour of the factory, as the railway rate to Cyrfontein is 7s. 2d. per 100lbs. transport to factory, say 3d., making a total of 7s. 5d. per 100lbs. This 2d. per 100lbs., however, is not material, as it would only make about 1¼d. per case difference in the cost.

Railway rates.

Reductions in railway rates required for agricultural produce and stock.

Railway rates.—These should be made with more consideration to the mining districts still developing, and farmers' produce such as mealies, forage, etc., and stock such as cattle, horses, and mules, should be carried at a mere nominal rate between the agricultural districts and the mines, and we consider it a matter for your consideration that, notwithstanding the large profits of the railway during the last twelve months, the present depression has brought with it no corresponding reduction in the railway charges for mining material, nor have matters otherwise been facilitated. Take for instance the rough goods' rate from Port Elizabeth. The only point of entry open to Klerksdorp during the first rinderpest regulations of the Orange Free State was Vereeniging. The rate from Port Elizabeth to the middle of the Vaal River Bridge was 3s. 7d. per 100lbs., mileage 664·42. Netherlands charges from the middle of the bridge to Vereeniging, 1s., for a distance of only one mile. Customs and forwarding charges, 5d. per 100lbs.; mule wagon transport from Vereeniging to Klerksdorp, 6s. 6d. per 100lbs.; making a total of 11s. 6d. per 100lbs. Had the same goods been taken on to Johannesburg, the railway rate would have been 5s. 3d. per 100lbs.; passing Customs and forwarding, 5d. per 100lbs.; mule transport from Johannesburg to Klerksdorp, 7s. 6d. per 100lbs.; making a total of 13s. 2d., or 1s. 8d. in favour of Vereeniging. From Delagoa Bay to Johannesburg the railway rate would have been 4s. 2d. per 100lbs.; forwarding, etc., 5d. per 100lbs.; mule transport to Klerksdorp, 7s. 6d. per 100lbs.; making a total of 12s. 1d. per 100lbs., showing a difference of 7d. in favour of Vereeniging. We may here mention that the Chamber of Commerce, when the Orange Free State proclamations were first issued, approached the Government and Netherlands Railway to assist us, as far as possible, in reducing the heavy charge on this class of goods across the Vaal River, and to allow us to clear our goods as before in Klerksdorp; but both these propositions were coldly received, and met with no support whatsoever. We would also like to point out the difference in mileage rates to the nearest railway stations to Klerksdorp on rough and third-class goods:—Rough goods' rate from Port Elizabeth to Kroonstad (577·49 miles) at 3s. 7d. per 100lbs.; rough goods' rate from Durban to Potchefstroom (672 miles) at 5s. 11d. per 100lbs., equal to 40 per cent. over Port Elizabeth-Kroonstad rate on the mileage of 577·49 miles only; rough goods' rate from Delagoa Bay to Potchefstroom (428 miles) 5s. 3d. per 100lbs., equals 97 per cent. over Port Elizabeth-Kroonstad rate on the mileage of 577·49. Rail carriage from Port Elizabeth to Kroonstad (577·49) 4s. 9d. per 100 lbs. Rail carriage from Durban to Potchefstroom (672 miles) 8s. 11d. per 100lbs., equals 36 per cent. over Port Elizabeth-

Railway rate from Port Elizabeth to Klerksdorp via Vereeniging.

Railway rate from Port Elizabeth to Klerksdorp via Johannesburg.

Railway rate from Delagoa Bay to Klerksdorp.

Request to Government to reduce railway rate on rough goods across Vaal river.

Railway mileage rates on rough and third class goods to stations nearest to Klerksdorp.

Kroonstad rate on the mileage of 577·49. Rail carriage from Delagoa Bay to Potchefstroom (428 miles) 7s. 9d. per 100lbs., equals 120 per cent. over Port Elizabeth-Kroonstad rate on the mileage of 577·49. From this you will see the rough goods' rate from Durban is 40 per cent. higher than the Cape tariff, and Delagoa Bay 97 per cent. On the third-class goods, Durban is 26 per cent., and Delagoa Bay 120 per cent. more than the Cape, taking the average mileage at 577·49, which we consider gives ample margin for large reductions on the Netherlands' charges. The Orange Free State concessionaires are now surveying the new railway line from Kroonstad to the Vaal River, and should your Government at once decide to connect it with the present terminus of the Netherlands Railway in Klerksdorp, it would greatly facilitate the transport of general goods, but more especially coal, which should on the completion of such a railway line, be delivered at our mines at from 10s. to 15s. per ton, instead of from 20s. to 40s. as at present. The ox and mule wagon transport between the Free State coalfields and these mines is also greatly impeded by the bad repair in which both the main transport road and the roads to the mines are kept. The drift at the Vaal River is also in an almost impassable state. The mines in this district being scattered over an area of 500 square miles, the advantage of the general up-keep of the roads is a matter of great necessity. In further reference to this, we would mention that while the State has received from this district of an estimated population of 2,500 (whites) a revenue for the year of £162,000, besides the extra expenditure upon the official staff, amounting but to a few thousand pounds, very little has been expended upon public works, and we are of the opinion that in common fairness more of the district's revenue should be spent in the district itself, and less retained by the Central Government.

Comparative railway mileage rates on rough and third class goods on the Natal, Cape and Delagoa Bay routes.

Suggested connection between Klerksdorp and the proposed new line from Kroonstad to Vaal river.

Klerksdorp roads.

European wages are eight per cent. higher than in Johannesburg, though the actual cost per ton of ore mined is less, which is to be accounted for by the comparative largeness of the lodes worked. Miners and millmen are employed in this district at from 15s. to 20s. per shift, but notwithstanding the expense gone to in providing workmens' quarters, &c., by the companies, the mine managers are of the unanimous opinion no substantial reduction can be anticipated in wages until the cost of living can be correspondingly reduced, and that is to be arrived at only by an all-round reduction of the customs and railway charges on the commodities of life.

White wages.

The Chamber consider in time the present native wages may be reduced, owing to the Free State rinderpest regulations being again relaxed so far as to allow natives to pass through their territory from Basutoland and the Cape Colony to this country. The charges of the Netherlands railway are, however, still prohibitive for the importation of natives from Mozambique and Natal, and to further the supply of natives, and so assist towards a further reduction in their wages, we would suggest that natives should be encouraged to come to this district by a minimum railway fare being charged, any loss resulting from such a reduction to be made up by an extra charge to the natives when returning. It is also remarkable that, notwithstanding the very large number of natives resident in this State, they are conspicuous by their absence from employers of labour, and we consider it would be beneficial if native taxes were increased, and natives that could show certificates of having worked six months in the year be allowed a reduction of 25 per cent., besides which all Fieldcornets and others engaged in the collection of native taxes, should discourage the system of the natives selling their cattle to meet the tax, and by their paying only in coin, there would be a greater necessity for them to come out and work.

Reduction of native wages.

Railway rates for transport of natives.

Taxation of natives.

We consider this law in itself is beneficial, but in this district it has not been put into force, and should it be enforced, this Chamber consider a competent body of officials would have to be established to carry out its provisions. The reason of the

Pass Law.

Chambers not having requested the enforcement of the law was, from the unanimous opinion received from the districts where it was in operation, because of the unsatisfactory manner in which the provisions of this law were being carried out.

Liquor Law.

We consider this law also good in itself, but not carried out. Could an addition be made, to the effect that no white man be allowed to obtain liquor either by writing or otherwise through the medium of natives, it would greatly facilitate the object of the law, and that offenders should be imprisoned without the option of a fine, the profits of the trade being too large for the present fines inflicted to lessen the evil. We also think that the introduction of a law establishing large native locations in the vicinity of the mining camps would be a great advantage in keeping up the permanent supply of labour and hereby beg to place before you a report on the Buffelsdoorn location in this district.—

Maladministration of Liquor Law.

Suggested amendments to Liquor Law.

Native locations.

On account of the isolated position of the Buffelsdoorn Gold Mine and the attendant difficulty found in the procuring and retention of an efficient supply of native labour to carry on mining operations, a part of the policy of the company to overcome this impediment has been to always make the surroundings of the natives as comfortable and pleasant as possible. In pursuance of this, five years ago a location, situated on the smaller mijnpacht, and one mile from the works, was established. At the time of the formation of this, and on the same spot, there were then resident 17 natives. At the present time there are now living there 253 souls (100 men, 67 women, and 86 children), who occupy 94 huts, built by themselves and at their own cost. In addition to these places of living, the natives have subscribed among themselves, and with the assistance of a little extraneous aid have built for themselves a commodious church and schoolroom, presided over by a native missionary and teacher. Order is maintained, and the interests of the company guarded by two police; these, in case of necessity, can easily get assistance, as the major portion of the company's police reside in the location. Of the numerous nationalities employed by the Buffelsdoorn Company (some 13) there is a marked partiality by some tribes for huts in this location; Zambesis, practically the whole of whom are drill-men, show this desire to a great degree, and to accommodate those who have gone to their countries to fetch their families, there are now in course of erection 25 huts which will shortly be almost doubled to shelter the families of other natives and their belongings from other parts of the country. From the experience gained here, there seems good ground for assuming that if locations were established in the proximity of the mines, there would be a base formed for a working force more permanent and steady in character than exists at present. In order to render police patrolling as easy and efficacious as possible, great care should be taken in the first instance in the granting of plots of ground for building purposes. Since the establishment of the location on the property of the Buffelsdoorn Estate and Gold Mining Company such a thing as the interference with the members of one tribe by men of another nationality has not been known; sickness, crime, and other disturbing influences being at a minimum. The Fieldcornet of the district, Mr. Andries Cronje, is personally acquainted with the location, its situation, supervision, and the general behaviour of the inhabitants; and in no way does he consider its establishment as detrimental to the public peace or morality. From the results obtained by the introduction of the location here there is every reason to warrant the establishment of such another in districts more thickly populated by natives working on the mines, and where the whole system would be brought more prominently under the notice of the public. In conclusion, we trust from the statements and suggestions we have been able to place before you at so short a notice, your committee will be of opinion, if only what is due to us is granted, that mining costs will be so reduced as to enable the mines in this district to work on a profitable basis, and so increase the general prosperity of the district.

Buffelsdoorn location.

Another location recommended.

THE BUFFELSDOORN ESTATE AND G. M. CO.

SCHEDULE OF EUROPEAN WAGES.—MARCH AND APRIL, 1897.

	March.			April.			Total.			Cost per ton.		P.c. of total cost.
	£	s.	d.	£	s.	d.	£	s.	d.	s.	d.	
;	1,039	19	3	1,208	10	6	2,248	9	9	1	7·48	6·89
;	257	18	3	206	0	8	463	18	11	0	4·03	1·42
ıg engine-ers	122	6	6	129	0	4	251	6	10	0	2·18	·77
remen ...	50	0	0	50	0	0	100	0	0	0	·87	·31
essor drivers	43	11	0	42	6	4	85	17	4	0	·74	·2
icians ...	43	13	4	48	13	4	92	6	8	0	·8	·28
e trams ...	21	7	6	5	3	4	26	10	10	0	·23	·08
ımiths ...	136	17	11	141	4	7	278	2	6	0	2·41	·85
niths ...	291	8	5	315	9	10	606	18	3	0	5·26	1·86
s	86	16	0	40	0	0	126	16	0	0	1·1	·39
ıters ...	168	7	1	170	9	7	338	16	8	0	2·93	1·04
lers... ...	133	4	0	131	10	0	264	14	0	0	2·29	·81
ın	220	12	0	205	7	6	425	19	6	0	3·69	1·31
er engine-ers	35	16	8	30	0	0	65	16	8	0	·57	·20
ıgine-drivers	76	12	2	93	0	0	169	12	2	0	1·47	·52
y	86	3	1	70	16	10	156	19	11	0	1·36	·48
ound and ch	56	3	3	57	11	6	113	14	9	0	·97	·35
and store ping and etary ...	237	8	6	233	1	0	470	9	6	0	4·07	1·44
'otals ...	£3,108	4	11	£3,178	5	4	£6,286	10	3	4	6·45	19·2

THE BUFFELSDOORN ESTATE AND G. M. CO.

SCHEDULE OF STORES CONSUMED.—MARCH AND APRIL, 1897.

	March.			April.			Total.			Cost per ton.		P
	£	s.	d.	£	s.	d.	£	s.	d.	s.	d.	
Candles	317	4	8	319	0	8	636	5	4	0	5·51	
Cyanide	628	13	4	377	8	9	1,006	2	1	0	8·72	
Explosives ...	1,667	4	8	2,031	11	2	3,698	15	10	2	8·04	1
Fuel	2,293	10	6	1,938	2	7	4,231	13	1	3	0·66	1
General	778	8	10	646	8	11	1,424	17	9	1	0·34	
Lubricants ...	331	14	0	276	8	5	608	2	5	0	5·27	
Mercury	18	7	4	—			18	17	4	0	·16	
Mealies	693	8	2	489	1	2	1,182	9	4	0	10·24	
Oxen	133	5	10	178	1	0	311	8	10	0	2·7	
Steel	220	1	8	155	1	0	375	2	8	0	3·25	
Shoes and dies ...	273	12	2	140	0	0	413	17	2	0	3·58	
Tools	55	6	6	38	8	2	93	14	8	0	·81	
Timber	87	5	4	108	16	7	186	1	11	0	1·7	
Zinc	48	4	3	40	1	7	88	5	10	0	·77	
Forage	29	4	10	22	5	8	51	10	6	0	·45	
Crusher spares ...	125	9	2	83	12	10	209	2	0	0	1·81	
Rails and sleepers	14	11	7	0	6	7	14	18	2	0	·13	
Stationery ...	59	8	2	39	0	10	98	9	0	0	·85	
Totals ...	£7,775	11	0	£6,884	2	11	£14,659	13	11	10	6·99	44

EASTLEIGH MINES, LIMITED.

WORKING COSTS, MARCH AND APRIL, 1897.

	Cost per ton.				Per cent. of total cost.	
	March.		April.		March.	April.
	s.	d.	s.	d.		
e wages	7	0·3	6	2·7	23·20	22·78
"	9	5·9	8	10·9	31·67	32·57
... ...	5	6·2	4	10·4	18·22	17·81
mite	1	10·7	1	6·3	6·23	5·64
ide	2	3·2	1	8·6	7·49	6·27
ry stores	3	3·4	3	4·5	10·86	12·46
ces		6·7		4·9	1·86	1·52
ry expenses		2·8		3·1	0·77	0·95
Total	30	3·2	27	3·4		

BUFFELSDOORN ESTATE AND GOLD MINING COMPANY, LIMITED.

Table of Operating Costs, March and April, inclusive of Mine Redemption and Johannesburg Office Charges.

	Cost.	Tons.	Cost per ton.	Per cent. of total cost.	Cost.	Tons.	Cost per ton.	Per cent. of total cost.	Cost.	Tons.	Cost per ton.	Per cent. of total cost.
	£ s. d.		s. d.		£ s. d.		s. d.		£ s. d.		s. d.	
European wages... ...	3,108 4 11	13,414	4 7·61	18·2	3,178 5 4	14,292	4 5·37	20·44	6,286 10 3	27,706	4 6·45	19·26
Native Wages	5,037 11 6	13,414	7 6·13	29·48	4,705 6 2	14,292	6 7·01	30·25	9,742 17 8	27,706	7 0·39	29·85
Stores	7,775 11 0	13,414	11 7·12	45·51	6,884 2 11	14,292	9 7·6	44·26	14,659 13 11	27,706	10 6·99	44·92
Contractors and general	1,164 0 9	13,414	1 8·88	6·81	785 10 6	14,292	1 1·2	5·05	1,949 11 3	27,706	1 4·89	5·97
Totals ...	17,085 8 2	13,414	25 5·68	100·00	15,553 4 11	14,292	21 9·18	100·00	32,638 13 1	27,706	23 6·72	100·00

Mr. ALBERT PHILLIP, director of the South African Company of Explosives was en called. He stated:

Mr. A. Phillip's evidence.

In compliance with the request of this honourable Commission to give evidence ı all matters known to us concerning certain grievances complained of by the ining industry, as well as on other matters connected therewith, I beg to submit e following statement to this honourable Commission:—

The sole object of this statement is to prove to this Commission that different sertions which have been made during the sitting of this Commission, and materially fecting the interests of the company I represent, are void of any foundation. It has › further object, as I am not acquainted with any grievances resting on the mining dustry, which affect us as an industrial concern. The present company, the Zuid fricaansche Fabrieken voor Ontplofbare Stoffen, Beperkt, was formed and registered such in the South African Republic in June, 1894. Its capital is £450,000. Since e formation of the company we have erected a factory in this republic, which is e largest dynamite factory in the world. Our capital outlay on the factories alone, ithout stock, is about £600,000. We commenced manufacturing in October, 1896. ıe factories would have been ready before this time had it not been for causes ›yond our control, such as the Jameson raid and the rinderpest. At the commenceent the factories are worked very slowly, in view of the dangers attending the anufacture of explosives, and of the difficulty of drilling a large staff, including any hundreds of blacks, in the observance of all precautions necessary in so ıngerous a manufacture, when carried on on so large a scale, and it was thought sirable that the actual production should be limited to about 80,000 cases per ınum, a rate which should subsequently be gradually increased as considerations of fety may admit. Under our contract with the Government the maximum prices lowed to be charged for dynamite No. 1, containing 75 per cent. of nitro-glycerine, 90s. per case, and for other kinds in proportion. We charge 85s. per case for ʼnamite No. 1, *ex* magazine. Statements have been made before this Commission, to ıe effect that dynamite No. 1 could be imported at a price of, I think it was, 35s. per se, free of duty, laid down in Johannesburg. These statements have been of the ʼeatest interest to us, as we were not aware of it before. At the last session of the olksraad, a Volksraad Commission was appointed, who brought out a report on ıe dynamite question. This report has not been treated to its full extent by the olksraad, and until this is done, moreover, as it is the intention of the Honourable olksraad to specially enquire about European prices, I will refrain from commentg on above statements. All I can say for the moment is, that, as far as I know, ʼnamite No. 1 is being sold at the following prices in other countries:—

South African Explosives Company—capital and formation.

Cost of erecting dynamite factory.

Annual production of dynamite.

Prices chargeable for dynamite under Government contract.

Actual price of dynamite.

Price of imported dynamite.

Volksraad Dynamite Commission.

Australian Ports—From 79s. 2d. to 83s. 4d. per case.

British India—110s. per case.

Cape Colony—Port Elizabeth, 67s. per case; Kimberley, 72s. 6d. per case; De eers, 65s. per case.

Rhodesia—Bulawayo, 110s. per case,; Victoria, 115s. per case; Salisbury, 120s. ›r case.

Natal—87s. 6d. per case.

Price of No. 1 dynamite in Australia, British India, Cape Colony, Rhodesia and Natal.

Further, I wish to add that, according to an official report of El Callao and La olumbia mines, both in South America, and of which Mr. Hamilton Smith, the wellnown authority on mining matters on the Rand, was consulting engineer, it appears ıat the price there for dynamite is 108s. 9¾d. per case, against 85s. in Johannesburg. o many statements have been made about this company making 40s., and I do not now how much more, profit per case, I am very sorry to say that this is not the case.

Price of dynamite at El Callao and La Columbia mines, South America

Without going into the details of this company's business, which would be an unprecedented action on the part of any trading concern, and which the directors have not the right to do without the sanction of a general meeting of shareholders, we may only refer this honourable Commission to this company's last balance sheet for 1895, which produced a dividend at the rate of 8 per cent. per annum, so that the profits of our company cannot be so abnormal as people try to make out. As to the Government's share, it does not seem to be known that the State received during 1896 £44,000 as a royalty. Besides this, the State gets a certain share in the profits of this company, so that statements to the effect that this company derives all the profits to the detriment of the State, are quite incorrect. This point has also been raised by statements before the Commission, referring to accidents arising through the alleged bad quality of our explosives. I may mention that all complaints coming to our notice have been thoroughly investigated, and all the accidents have been traced to either bad ventilation of the respective mines, or to the careless tamping of drill holes. Another great factor which plays an important part in the prevention of accidents at mines, is the use of proper detonators and fuses, but all these defects, we hope, will be abolished as soon as the new dynamite or explosives' law comes into operation, which we trust will soon take place. I may add that all the explosives, as soon as they are ready to leave our factory, are submitted to the so-called British test, and if they do not stand the test they are kept back and re-worked. I think it is hardly recognised amongst the industrial community in this republic that our undertaking is as good an industry as the gold industry on the Witwatersrand. It would lead me too far to dwell on the advantages this country is deriving from an established industry such as ours. Suffice it to say that we have paid during the year of 1896 about £118,000 to contractors for building up houses, water dams, etc. And goods bought locally at Pretoria and Johannesburg amount to about £57,000, for coal, timber, corrugated iron, etc., and about £12,500 for kaffir food, and £104,000 as railage; not taking into consideration the money spent in the country by our staff and work-people, consisting of 700 white people and 1,300 natives. A statement has been made to this honourable Commission recommending the use of roburite instead of nitro-glycerine compounds. Without going into the details of this statement, I may draw the attention of the honourable Commission to the following fact, viz., that in the year 1893 the Government, on the request of the roburite people, bought 300 cases of roburite as a trial, of which we have still got 167 cases in stock. The balance was sent to several mines for trial, and we received reports to the effect that the roburite did not answer the purpose. As to American dynamite I may state that this company also bought a trial shipment some time ago (1894) which resulted in a complete failure, and according to the four years' experience I personally had in Mexico, I should consider it my duty to recommend the Government not to import this stuff, the quality being quite unsuitable for the work required in this country, and the danger connected with the use of this defective article being too great. I should like to say that we are obliged, according to our contract with the Government, to give certain information to the Government. This information we are at present, and will always be, anxious and eager to give, but, of course, always in terms of our contract. This company is most anxious to do everything in its power to assist the Commission in showing the magnitude of the industrial undertaking of the company, and would, therefore, be pleased if the Commission would examine what is being done at the large factories which have been erected by the company.

Dividend of South African Explosives Company for 1895.

State's share of profits of South African Explosive's Company.

Dynamite accidents.

Industrial advantages derived by the Transvaal from the South African Explosives Company.

Roburite — unsatisfactory experiments.

American dynamite—unsatisfactory experiments.

Chairman.

In Kimberley is the price 67s. 6d. per case?—72s. 6d; De Beers get a reduction

Price of dynamite in Kimberley, at De Beers, and in Natal.

of five per cent., because they have a large contract; and in Natal 87s. 6d.

Can you tell us who delivers that dynamite in Kimberley and Natal at that price?—The Nobel Trust Company.

Mr. *Hugo.*

I see you deny the statement that dynamite can be delivered here at 40s.?—I am not aware of it. Price of imported dynamite.

It has been stated that at Hamburg dynamite is sold at 18s. 6d.?—I don't know anything about European prices. European prices of dynamite.

You cannot say whether that is correct or not?—No.

Mr. *Hay.*

In the first paragraph of your report you say that you are not acquainted with any grievances resting on the mining industry. Now, the contention all through this Commission has been that one of the industry's burdens is the high price of dynamite, and that if there were free trade in dynamite it could be imported at a very much lower rate. Can you tell us the quantity which you imported into the country last year?—I may say this company does not import dynamite; it is the Government who imports it. Government the importer of dynamite.

Will you tell us how much dynamite the Government imported last year and sold through their agents?—The Government imported from 18th June, 1894, to the 22nd October, 1896, 466,000 cases of materials required for the manufacture of dynamite and blasting gelatine. Importation of dynamite and gelatine materials.

When you say 466,000 cases of materials, will you explain what you mean, or, rather, perhaps you will explain how you make dynamite—tell us the ingredients that are required?—It is very difficult for me to say how to make dynamite—if you say a certain kind of dynamite I will tell you.

You say 466,000 cases of material were imported between June, 1894, and October, 1896. That means nothing to us unless you explain what you mean by the word "material."—The material is called "gühr impregné," which is a sort of preparation of nitro-glycerine, in order to make it safer for transport.

Practically you are importing dynamite in bulk.—That is not exactly right. It quite depends on the kind of dynamite you want to produce. For instance, without going into the technical question of dynamite, No. 1 is prepared quite differently from No. 2, and blasting gelatine is quite different from No. 2.

I quite understand that. The difference between No. 1 and No. 2 is the strength of the explosive. Practically you take gühr impregné as dynamite?—You cannot call it dynamite, because you cannot use it as it is.

It will explode the same as the other if used with a detonator?—Nitro-glycerine in itself does that.

You use the words "gühr impregné" when I ask you about "material," and I follow that up and ask you what that is, and you give some other explanation which does not lead us any further. Guhr is earth and clay that absorbs the nitro-glycerine—it is done in that way to carry the nitro-glycerine, and therefore when you import it in block it is really dynamite?—The difference in the questions and the replies is that we call the explosive that which can be used in a mine, so that if you ask me whether gühr impregné is dynamite I say not.

Does it not simply mean the difference between gunpowder in bulk and in cartridge?—No.

When you got these 466,000 cases, what did you do with them?—We have to carry it through a certain process.

It will simplify matters, perhaps, if you tell us how many of these 466,000 cases were gühr impregné ?—I have not got the information with me.

Gühr impregné is one way in which it is imported; how do you import it when it is for blasting gelatine ?—Blasting gelatine is introduced in a similar way to gühr impregné, also in block; but that does not say you can use the blocks as they are.

They could be used if you made the hole large enough to put them in ?—Yes; that is why I say if you put nitro-glycerine in pure you can use it ?

The question I really want to get at is this: How much of this is imported already made, and how much of it has to be manufactured here ?—Well, these 466,000 cases were materials required for the manufacture of dynamite.

Report of Volksraad Dynamite Commission.

In the report of the Commission, which sat last year, it said, if I remember right, that the factory was not able to make the quantity of dynamite required, and that the stuff was imported practically already made ?—That is not correct.

In paragraph 8 it says: "This point arises in connection with the question whether the Government agent shall be allowed to import explosives, gelatine, and gühr impregné, which is, in fact, nothing but dynamite not yet made into cartridges." Your Commission gathers from the accounts placed in their hands by the honourable the State Secretary that the "profit of the company on blasting gelatine and gühr impregné imported by the State amounts to almost £2 per case, of which the Government only gets 5s. per case." The question comes to this—Is that correct or not ?—May I ask what report that is ?

Profits of South African Explosives Company on imported gelatine and "gühr impregné."

This is the report presented by the Volksraad Dynamite Commission to the honourable the First Volksraad on the 22nd February, 1897.—I say that is not correct. It is rather hard on me to examine me on a question which is still before the Volksraad.

This Commission has been appointed by the Government to enquire into the grievances of the mining industry, and the price of dynamite forms one of the very important questions.—I do not deny that in the least, but I want to say I do not think it is quite fair to examine me on a matter which is before the Volksraad, and which has not been decided yet.

When this was before the Raad a resolution of the Raad was taken, and the Government was then authorised to proceed with a further Commission, and out of that I understand this Commission has been appointed.—I think you are mistaken. The Volksraad appointed a separate Commission to enquire into the European prices. This Commission was only appointed to enquire into the grievances of the mines.

If I understand you rightly, this Commission, by enquiring into the question of dynamite, is exceeding its powers.—I won't say exceeding its powers, because I do not know the powers of the Commission; but I would like to mention that the dynamite question is before the Volksraad, and I do not think it is fair to examine me on the same point until the Volksraad has decided upon it.

But surely you can state to us exactly what you stated to the Volksraad Commission.—That is what I am doing; but you ask me whether the statement made in he report is correct.

Imported dynamite materials.

If I put the questions one by one perhaps you will answer. In paragraph 5, clause 8, it states: "This explosive gelatine and gühr impregné imported is nothing else, but No. 1 not yet made into cartridges." Is that correct ?—I am quite prepared to give you all the information; but on this the Volksraad Commission has reported, and I would prefer not to reply.

Government the importer of dynamite.

The fact is that on this gühr impregné you pay the same duty in the Cape Colony as you pay on dynamite ?—As we do not import it, of course it is the Government pays the import duty.

The Cape Colony treats it as dynamite?—That may be, but as the Government has never imported ready-made dynamite up to the present, I cannot say if the Cape duty is the same.

I don't understand your position. You are here as the representative of the factory which manufactures the dynamite?—Yes.

Then the question is: Has the Government imported this dynamite? Have you anything to do with that at all?—That is rather a difficult question.

What I mean to say is, when I ask the question whether you import the dynamite you fence by saying: "No, we don't; the Government does."—Yes, the Government imports it.

Then who is the Government agent?—Mr. Vorstman.

The Government agent.

The question is, who is going to give us this information. In paragraph 9 it is stated: "The importation of this yields a very large profit, which has nothing to do with the profit on the explosive itself." Is that correct or not—that this importation yields a great profit to the company, which has nothing to do with the explosives manufactured by themselves. Is this true?—The only thing I can say is that the company makes profits.

Profits on imported dynamite

The company makes profits out of this material, which is imported by the Government agent. The question is, in respect to this gühr imported by the Government agent, from whom it is bought?—From whom does the Government buy it?

Imported dynamite bought from Nobel's Dynamit Trust.

Yes.—Of course this is in the Commission report. They buy it from Nobel's Dynamite Trust.

It is fair to assume that these people make a profit, and that Nobel's Trust make a profit on the other side?—That, of course, I cannot say. It is supposed to be so, but I cannot swear to it.

It is fair to assume they do make profit on it?—If you like. I would not like to swear to it.

In paragraph 10, the reply is that the approximate profit on this material imported leaves a profit of nearly £2 a case. Is that correct?—No; it is not correct. I say in my statement I cannot go into details as to the company, and how much profit they make. It would be quite an unprecedented case in any trading company.

Profits on imported dynamite

If I asked you how much profit you made on the manufactured article—genuinely manufactured at the factory—that might be a fair reply to give. But this is a question here whether the Government import the dynamite not made in the country and sold to us. Now, the question is simply a fair question: How much profit is made out of that?—The only thing I can say is, that I only refer to the balance-sheet of our company for 1895, from the time that we got the sale of the stuff introduced by the Government. This shows only a dividend of 8 per cent.

Do you mean Nobel's Trust or this company?—This company.

How does this Volksraad Commission arrive at the conclusion that almost £2 a case profit is made?—That is a question I cannot answer. I was not present when the Commission made up their report.

Because £2 a case on 466,000 cases would be nearly a million of money?—Yes, but we have not got it.

Then who gets it?—I don't know. The only thing I can say is, I don't believe it.

Then this paragraph in the Volksraad Commission's report is not true?—There you put questions. I cannot say that the things the Commission state are not true. All I can say is, we don't make that profit.

Then can you say who made it?

Chairman.

Mr. Hay must understand that Mr. Phillip is only the representative of the factory, and that he is not the Government agent for the sale of dynamite.

Mr. *Hay.*

I must simply say that in the report of the Commission they use the words, "the profit of the company," and then Mr. Phillip says he represents the company. Therefore it is fair to assume that the profit went into his hands.

Witness.] Mr. Chairman, what I object to is, that Mr. Hay asked me whether this report was true.

Chairman.

I don't think it is reasonable to ask such a question, because we don't know ourselves from where the Volksraad Commission got their information.

Mr. *Hay.*

They say the accounts were placed in their hands by the State Secretary. You think, at any rate, supposing that was correct—that £2 a case was made out of imported stuff—that would be very large profit?—It would be a very large profit, yes.

And it would be a reasonable ground for the industry to have a grievance. You say you don't know anything at all about European prices, and, therefore, on the question of Nobel's Trust agreeing to sell dynamite down to 40s. in bond in Johannesburg, you don't know whether that would leave them a profit or not?—That was before my time.

Price of Nobel's dynamite in the Transvaal in 1893.

I suppose you are aware of the fact that Nobel's people sold dynamite here at 75s. a case, and paid the Government 37s. 6d. duty?—At what time was that?

That was in November, 1893.—I don't know about those times.

Composition of "gühr impregné." and dynamite.

Mr. *Brochon.*

What is the composition of gühr impregné?—Gühr is kiesel gühr and nitro-glycerine.

What proportion of nitro-glycerine?—It differs materially from 65 to 75 per cent.

What is the composition of the dynamite No. 1?—Dynamite No. 1 is nitro-glycerine and gühr—75 per cent. and 25 per cent.

And No. 2?—No. 2 consists of nitro-glycerine, kiesel gühr, nitrate of soda, chalk, ochre. I think that is all.

What quantity of nitro-glycerine?—If I am not mistaken it is about 60 per cent., —between 58 and 60 per cent.

And of kiesel gühr what is the proportion?—That depends upon the nitrate of soda, ochre, and all those things you mix together.

Composition of gelatine.

Yes, but how much kiesel gühr?—I should say about 34 per cent.

What is the proportion of nitro-glycerine in blasting gelatine?—We make it between 91 and 93.

Importation of gelatine materials.

By these figures we see it is very easy for you to make dynamite 1 and 2 if you have gühr impregné?—I don't deny it.

Do you receive the gelatine all ready as gelatine?—No, we receive it in blocks.

Do you take this nitro-glycerine off your gühr impregné, or receive it already as gelatine?—In order to explain to you I would have to go into the whole dynamite

manufacture from the beginning. I am not up in the technical manufacture of dynamite. I know, of course, a good deal about it. The only thing I can tell you is that there are a lot of things in making dynamite, which people have hardly any idea about.

I only ask you from where you take the gelatine that is in the nitro-glycerine?—Those 466,000 cases? They served to manufacture the dynamite here.

So all those 466,000 cases are gühr impregné?—That I cannot say.

What are you making now at the factory—only dynamite, or gelatine too?—We make all sorts of dynamite. Articles made at dynamite factory.

They are really manufacturing blasting gelatine at the factory—nitro-glycerine and everything?—Yes.

In your statement you seem to consider it impossible that dynamite can be delivered at 43s. Other witnesses have said that they are quite certain it can; but do you think it possible to do so without the dynamite being of an inferior quality?—I have said already that I do not know anything about European prices. European prices of dynamite.

Do you think there can be much difference in two kinds of dynamite which only carry 75 per cent. of nitro-glycerine?—Yes; there can be some difference. Composition and quality of dynamite.

Do you think nitro-glycerine could make a great difference in the cost price?—It is not exactly the quality of nitro-glycerine, but it is the material you put into it.

We will take dynamite No. 1; with 75 per cent. of nitro-glycerine, do you use kiesel gühr?—Not always.

You would have to have good kiesel gühr to carry 75 per cent. of nitro-glycerine, so all the difference is in the nitro-glycerine?—That is where I don't agree with you.

Why?—Because you can use as an absorbent material—say, wood, meal, nitrate of soda.

I don't admit that this can carry 75 per cent. of nitro-glycerine.—I quite agree with you.

So that all the difference in the price must arise in the quality of nitro-glycerine?—Yes.

How much water can nitro-glycerine carry?—There you are going into technical questions again.

We can say that the dynamite offered in Hamburg at £43 per ton and £1 1s. 6d. per case, when it contains 75 per cent. of nitro-glycerine, must be equivalent to Nobel's dynamite. Do you admit that?—I admit what you say, but I don't know anything about European prices.

You admit that the dynamite containing an average of 75 per cent. of nitro-glycerine is good dynamite?—Yes.

Mr. *Albu.*

You have been a director of this company for some time, have you not?—Since November, 1895.

Have you acted in a like capacity for Nobel's in any other country?—Not in the same capacity. Mr. Phillip and Nobel's.

But you have been connected with the dynamite business for a good many years?—Oh, yes.

I gather that from the ability with which you give prices in Australian ports, in British India, in the Cape Colony, in Rhodesia, and in Natal. But it is somewhat strange, with all this experience, that you could be totally ignorant of the prices which are ruling in England and France. You simply deny all knowledge of that?—I don't see the connection of one point with the other.

You see, it is strange that we should know the prices at which it is sold at Australian ports, and you, who have been connected with the dynamite business for so

many years, don't know: your father is chairman of Nobel's Trust, and you, as a director of Nobel's Trust, should not know the price at which dynamite is sold in England or on the Continent. Of course, I only express my surprise at this; I don't expect you to know.—First of all, if my father is a director of the Nobel Trust Company that does not imply that I know anything about it. Consequently, you ask me whether I had any connection with the Nobel Dynamite Trust for a long period. You don't ask me in what capacity. I have been acting as agent for the Nobel Dynamite Trust Company in Mexico, and, as agent, I have no right to enquire about the cost price. The only thing I know, as agent, is the selling price.

Mr. Phillip and foreign prices of dynamite.

How do you know the selling price in Australia and British India? It is strange you do not know it in Austria and Germany. I cannot help being astonished at it.—In that case you may be surprised that I don't know the price in Holland, India, China, and Japan.

In China, no; but wherever Nobel's Trust is I should expect you to know the prices ruling there.—If I had known you would want the price I would have got it for you.

I know the price, and I always make it my business, as a purchaser, to know what an article costs.—It is my business to sell, not to buy.

But surely, as a director of Nobel's Agency here, and knowing the grievances of the mining industry, and knowing the clamour for cheaper dynamite, you have inquired of Nobel's: "What are you selling dynamite for at Home?"—Allow me to express my surprise, Mr. Albu, that you should make such a remark. You know I have got a contract in this country to sell at a certain price, and whether you have got grievances or not is no business of mine.

And you, as supplier of an article, make no attempt to find out whether it is so or not.—You may tell me what you like; I stick to my contract.

Price of dynamite at De Beers.

Quite so. Will you contradict me when I say that dynamite is sold at De Beers, Kimberley, not for 72s. 6d. but 57s. 6d.—Yes, I flatly contradict you. Dynamite is sold to De Beers at 65s.

Under the new contract it is 57s. 6d And my authority for my statement is Mr. Francis Oates, director of the De Beers Company.—You had better call him as witness.

Price of French dynamite at Kimberley.

I am chairman of a diamond mining company in Kimberley. I don't buy my dynamite from Nobel's "ring;" I buy it in France, and get it delivered on my mine in Kimberley at 55s. per case.—What quality?

Seventy per cent.—I have been talking about No. 1.

That is 75 per cent. Out of that 55s. the Cape Government get 12s. 6d. duty, against the magnificent sum which the Transvaal Government receives. I get it delivered in any quantity I like, and the quantity used by the company of which I am chairman, is 300 cases a year. Another addition is the heavy rail charges to Kimberley mentioned by Mr. Middelberg. Take off the 12s. 6d. the Government gets, and it would cost the company of which I am chairman 42s. 6d. per case.—I can only compliment the company on having a chairman like you.

What we want is that our shareholders should have the money they have invested used to the best advantage.—To the detriment of the dynamite company in the Transvaal.

I don't wish to tell you at the present moment to whose detriment.—You are always accusing this company.

I am simply going to prove that we are paying too much for dynamite.

Chairman.

You must not have arguments.

Mr. *Albu.*

My idea is to prove that we have paid too much for dynamite, and in trying to do this I shall only adopt fair means. Mr. Francis Oates, who is a director of the De Beers Company, was director of a dynamite factory in Cornwall called the Cosmos, which sold dynamite delivered on the mines in Cornwall at 30s. per case. We have, further, bought dynamite three or four years ago, at the time the Government gave various merchants permits here, as low as 75s. a case, Government receiving, I think, 38s. per case duty. Isn't that so?—I don't know.

Cornish and former Transvaal prices for dynamite.

You stated this morning that from 1894 to 1896 you, or the Government, imported 460,000 cases of material. You don't mean machinery for the erection of the dynamite factory, do you?—I stated quite clearly gühr impregné.

Importation of dynamite and gelatine materials.

How is that possible? We only use the gühr impregné dynamite to about the extent of 10 per cent. We mostly use here blasting gelatine, which has as an absorbent kiesel gühr. Now, if you have imported 460,000 cases of kiesel gühr impregné, how many cases of blasting gelatine have you imported?—I have replied to Mr. Hay and to Mr. Brochon. I said that gühr impregné and blasting gelatine were both included, the latter in lumps.

What process do these lumps undergo after you receive them, to make them ready for use on the mines?—The best way to explain it would be to do as I have said. I shall be pleased if the Commission comes to the factory, and if they do that I will show you. Of course, I could give you a very long explanation now.

Preparation of imported dynamite and gelatine materials at factory.

I don't want a technical explanation. What I wish to arrive at is whether blasting gelatine, imported in lumps, is ready prepared for use—in a word, all the work you do here is to make cartridges of it?—That is where you are mistaken.

And your gühr impregné is dynamite, and all you do is to make cartridges of it?—If you say so.

It is a well-known fact. What inducements did you hold out to the Government at the time they gave you this concession?—I think that is a trying question.

The dynamite concession.

I only want to know what *quid pro quo* you gave the Government for the concession.—What do you mean?

The Netherlands Railway, for instance, has a concession to build railways. What have you done, or what are you doing?—If you have read my statement——

Yes, I have.—I think I said quite plainly that since the formation of the company took place, it has erected this factory in this republic.

You cannot tell me what are the manufactured prices of dynamite at Home. If you don't wish to answer me, don't. I refer to dynamite, 75 per cent.—I don't know.

Prices of manufactured dynamite in Europe and the Transvaal.

Can you tell me what it is here?—I could.

Of course, I cannot expect you to.—Certainly not.

Have you found the necessary ingredients in this country that you can use for dynamite?—Oh, yes; I have found sulphur.

Dynamite ingredients—where found.

Have you found saltpetre?—Yes, there is some saltpetre, and kiesel gühr also.

I mean, have you found any quantities that would justify your using them in the manufacture of dynamite?—Yes, sulphur.

How much have you found already, may I ask?—Of course, I cannot tell to a certainty, but I know that sulphur was found in sufficient quantities for us to use it.

To make 1,000 or 2,000 cases?—Yes.

I must tell you that answer is very trying to me. I want to put a practical question. Have you found sulphur and saltpetre in this country in sufficient quantities to make 5,000 cases in the month?—I have found sufficient sulphur in this country to make about 200,000 cases in the year.

Why don't you make them then?—Who tells you I don't?

I tell you. You have told us you imported 466,000 cases in 1894 and 1896.—We are now in 1897.

I am sorry if I have to contradict you. You cannot have found sulphur in this country, or saltpetre, in sufficient quantities to make 200,000 cases a year. Before I go any further, Mr. Vorstman is the purchaser of the dynamite?—He is the Government's agent.

He is not here?—No.

Is he a director of the dynamite company?—Yes.

Who is his alternate?—Mr. Jorissen.

That is the gentleman close by you who is prompting you?—That is the gentleman, but that he is prompting me I do not know.

Capitalisation of the South African Explosives Company.

The capital of the dynamite company is £450,000?—Yes.

What portion of this was fully paid up?—I can tell you, but I do not see what this has got to do with the case.

I am sorry to see you cannot see it. I only ask the question in the same way as members of the Commission asked how much was paid for machinery.—If you draw a comparison——

No, no, I wish I could; I wish mining was as profitable as dynamite. Can you tell me what the paid up-capital was?—No, I won't tell you that either.

What was the consumption of explosives in the Transvaal in March?—It was about 16,000 cases.

Profit and dividend for 1895 of South African Explosives Company.

You say your company is only making eight per cent?—I said, up to 1895 we have distributed a dividend of eight per cent.

May I ask, according to the balance of 1896, what your profit was?—The balance sheet is not out yet.

It is a similar case to the Netherlands railway.—If you read the *Staatscourant* you would see that the general meeting of this company will be held on the 28th June, and on the 29th June I will be most happy to tell you what the company is going to pay in dividends.

The Government agent and the purchase of dynamite.

Your company does not send orders Home to Nobel's?—No.

And you don't make remittances in payment?—It is the Government's agent who does it.

Now, the new contract says: "The said company from the date of its formation will take the place of the said L. G. Vorstman in this contract, and will carry out all his obligations as regards the Government in connection therewith." From this it appears that Mr. Vorstman has nothing more to do with it?—You can take it as you like. I maintain what I say.

This is in the *Government Gazette*, signed by both the State Secretary and Mr. Vorstman. How can you explain this article?—I cannot explain it at all. I maintain Mr. Vorstman is the Government's agent. You have been asking me about the buying of material and importing of material, and I maintain that the Government, through their agent, Mr. Vorstman, do it.

The Government royalty on dynamite.

You said in your statement that the Government received in 1896, £44,000 as royalty? Now, if you have not published your balance sheet, and do not know what the profit is approximately, how can the Government receive £44,000 as royalty?—Because we pay royalty every three months. I do not know what that has got to do with the question.

You mean the duty of 5s. per case?—I mean royalty.

There is a difference between royalty and import duty. What do you call that

5s. per case that the Government magnanimously receives? The Cape Government receives 12s. 6d., and they call it duty.—I think the Cape Colony charges 2s. 1d.

That is for transit. Do you call that 5s. royalty?—If the Government imports it I cannot call it duty.

Then the Government gets no duty on dynamite?—The Government imports it.

Is that royalty in order to permit the Government of the Transvaal to import 200,000 cases?—I do not know what the object is.

Ah, now, you do know. It reads very peculiarly by talking about your profits. I see your profits are only 8 per cent. for 1895, but if this agency company were to float another little agency company they could make the profit show two per cent. or none at all.—That is a very good idea.

We would do very well together; only I would not get anything. Now you make a point of this in your statement, that the Government's share does not seem to be known. Well, it is pretty well known that the sale of explosives amounted to about 176,000 cases, and 5s. per case on that comes to about £44,000. It is known they receive 5s. per case, and you most innocently say it does not seem to be known. It is known that the Government of the Transvaal receives a very small royalty, as you call it. If the Government does not require that income, the price of explosives ought to be reduced. You buy the pulp of the dynamite off Nobel's?—No; I buy it from the Government here.

The purchase of dynamite pulp

From whom does the Government buy it?—That is no business of mine.

From whom is the stuff bought?—Nobel's Trust Company.

Nobel's sell it to the Government, and the Government sell it to the dynamite factory in Pretoria, and the dynamite factory makes its payments to Nobel's.—Well, if you like it so.

The Government agent sells it again to the dynamite factory; the factory makes out the accounts for the gold mining companies. Now, does it not strike you that I am justified in putting these questions to you, because the whole thing seems to be involved.—What that has got to do with your grievances I do not see.

No, no; we have no grievances. Nobel's have a large interest in the dynamite factory of the Transvaal?—I do not think I am quite entitled to reply to that question. Are you a shareholder in our company?

Connection of Nobel's and the Transvaal dynamite factory

I sincerely regret I am not.—In that case I am not going to give you any information.

It has been proved beyond any doubt that Nobel's has underwritten 220,000 fully paid-up shares of £1.—Have you got it officially?

Yes.—May I ask where you got it from?

Your own people have supplied these figures.—Before you proceed, as long as you do not say whether it is official or where you got your information from, I cannot vouch for all the figures you are going to quote.

The capital of the company is £450,000, 220,000 shares were fully paid up by Nobel's, and there remained 230,000 shares. Can you tell me how your company dealt with these 230,000 shares? I do not wish to pry into your company's affairs, but it would help us very much if you answer my question.—I think it is unfair on your part to examine me, when I have never had a chance to examine you on the private affairs of your companies.

Partition of the shares of the South African Explosives Company.

I have sat in the witness chair for two days, and the members of the Commission examined me. I want to show you what a funny business it seems to laymen like ourselves. Your dynamite factory is nothing else but an offspring of Nobel's Company. So that Nobel's sells dynamite to the Government, the Government sells to the dynamite factory, practically selling it back again to Nobel's; so that Nobel's

Nobel's and the South African Explosives Company.

sells to Nobel's, and they try to make a profit on both sides.—If you want to prove it to the Commission you don't require me.

If you do not wish to be questioned, I will give it up, and there was no necessity for your appearing here.—I certainly did not appear to tell you all the ins and outs of the company.

That I believe. I think the Commission kindly appointed me to try and find out.—I wish to give all information to the Government.

If you give it to the Commision you give it to the Government. You won't answer who received the 230,000 shares?—I am not entitled to tell it.

Do all these shares rank equally?—Yes.

For voting purposes?—More or less. There is a small difference.

Is it not a fact that Nobel's have the controlling power in your company?—I cannot reply to that question.

Have you any reason to believe that Nobel's are not interested in your factory here?—I have no reason to believe one thing or the other.

Cost of erecting dynamite factory.

May I ask you what this factory cost at Modderfontein?—We have spent about £600,000 on it.

Is that on building; or does that include the ten months of material on hand?—Only the buildings.

I think you said £900,000 included ten months' material; was it not so?—I say our capital outlay on the factory alone, without stock, is about £600,000.

Cost of materials for dynamite.

Quite so. On page four, the Government agent informed the Commission of the Raad that the cost of the factory to date, including the supply of material for ten months, was £900,000. If the building cost you £600,000, as you say, then we may reasonably conclude that ten months' supply cost you £300,000?—It all depends on what you call stock.

Would you call stock the materials for ten months? I would call it material for ten months' supply of dynamite. I would call it gühr impregné, or blasting gelatine in lump.—That is where you are mistaken. In this report, by material is meant saltpetre, sulphur, glycerine, and timber.

That is not alone gühr impregné. That is material for ten months. That is the article for which we would have to pay £800,000 or £900,000.—If you want to buy the factory.

No, I don't want to buy the factory. I mean the stock of materials in your books for ten months' supply. Ten months' supply of dynamite to the mining industry amounts to about that. Is that saltpetre and sulphur found in the Transvaal, or imported?—Not yet.

Oh, it will be found, but it has not been found yet?—You asked me whether this was sulphur found in the Transvaal, and I say it has not yet been found.

No, it is imported stuff?—Yes.

Has the local company—your company—ever protested against the high prices charged by Nobel's Trust? Have you ever protested against those prices?—We have not got anything to do with it.

Oh, it is the Government that buys it?—That is what I said before.

Transvaal Government buys its dynamite materials of Nobel's.

Have you reported the matter to the Government, and told the Government that they are paying too high a price to Nobel's Trust?—No.

You have not. Is the Government bound to buy this stuff from Nobel's?—Certainly not. They can buy it wherever they like.

But you are bound to buy it from the Government?—Yes, according to contract.

If you were not compelled, according to contract, to buy your material from the

Government, could you manufacture dynamite cheaper here?—That is a question I have not gone into.

It has not interested you. You don't find it necessary to see whether you could sell to the mining industry the same article at a cheaper rate?—The mining industry has dealt very kindly with us up to the present. We would have done anything for them.

The South African Explosive Company and the mining industry.

In which way has the mining industry treated you badly?—"Kindly" was the word I used.

Oh, kindly! But that is a paradox.—You perfectly understand that the mining industry has been fighting this company from the beginning.

No, I beg to differ from you.—Since I have been in this country they have been.

And you think that is the reason you must get your pound of flesh?—Well, that is not quite correct, because you know perfectly well we are entitled, according to our contract, to charge 95s. per case of dynamite No. 1, and we only charge 85s.

May I ask why is this kindness done?—To tell you frankly, that is no business of yours. That is a question for us to decide. I only want to mention we have done more for the mining industry than they have done for us.

But I am surprised. You are a director of the dynamite factory; and you complain of the small profits you are making.—I beg your pardon. I never complained of the small profit.

But I beg your pardon—

Chairman.

Mr. Albu's interrogation of Mr Phillip.

I have already made the remark that Mr. Albu's questions, and Mr. Phillip's replies do not bring us an inch further in the direction of solving the question. I think it is better for Mr. Albu to confine himself to the case itself. Our only object is to find out whether dynamite can be supplied here cheaper, and any questions that are put as to the factory here, might be whether, under the present contract, there is a possibility of getting a reduction from the factory; what their mode of importation is; what is the mode of working or preparing the stuff here; what is the consumption required; does the factory supply the demand; is the dynamite delivered of good quality. If, through the said means, it can be shown that the dynamite can be delivered here cheaper, everybody will agree that it is not a question for us to solve here. What is to be done in future with the company and the factory will be dealt with in committee before we make our report to the Government. I think Mr. Albu is entering upon matters which only concern the company themselves. Supposing every question is answered which Mr. Albu has asked, it does not help us a bit further.

Mr. *Albu.*

European prices of dynamite.

Well, Mr. Phillip, you have heard the statements made by various witnesses as to the price of dynamite at Home, offers received, and so forth. You would say, of course, it is impossible; these gentlemen are mistaken; or what would you answer?—What I have said before: I don't know anything about European prices.

You only know about the prices in Australia, British India, and Rhodesia. I really don't know what more questions I can ask you. Mr. Chairman, it is impossible if you stop me. Statements have been made to the Commission by so many witnesses that dynamite can be imported cheaper. I can show to the Commission that a certain company, of which I am chairman, paid 55s. per case, and paid to the Government 12s. 6d. duty, so it would be a fallacy on my part, or on the Commission's part, to try to elicit a statement from Mr. Phillip whether dynamite can be made cheaper, or imported cheaper than he does it. He would say no; his article is the cheapest.

Chairman.

It is a question for the Commission to decide later on. It is not for us to say at the present moment what we can exact, or what we cannot exact. The Commission must decide in committee.

Mr. *Albu.*

The task, I mean, is quite useless, because I do not expect for one moment Mr. Phillip will prove to me he can import dynamite at 35s. per case.

Mr. *Smit.*

To come to conclusions can only be done by the Commission, when they are in committee.

Mr. *Albu.*

But, Mr. Chairman, is it not necessary for me to elicit certain facts, so that the members of the Commission can weigh the various questions and answers, and deduct from them their conclusions.

Mr. *Smit.*

I don't object to your questions. They are very good, but no argument should follow. The time has not come for argument yet.

Mr. *Albu.*

The South African Explosives Company and the cost of dynamite materials.

There is one question as to the royalty to Government. This is 5s. per case. You say in your statement, Mr. Phillip, with regard to the profit, "The balance-sheet for 1895 produced a dividend of 8 per cent. per annum, so that the profits of our company cannot be so abnormal as people try to make out." You see this is a direct accusation against the people who try to make out that they are paying too much for their dynamite. You tell us, in fact, this deplorable state of things exists, that you only make 8 per cent. for 1895, and yet you, as a director, have not tried to induce the Government to buy the supply elsewhere. It is quite possible. As a director, would you not try to induce the people who supply you with the ingredients to buy them in a cheaper market so that you might increase your dividends or meet your customers by a reduction of price?—You know perfectly well dynamite is not like sugar-cane, for instance. If you want a good quality of dynamite you must get it at the best place. That is the case with us.

And Nobel's is the best place?—As far as I know.

And the cheapest place?—I tell you that is no business of mine.

I ask you as a director of the dynamite factory. I know it is no business of yours.—I am a director of the Dynamite Company in the Transvaal.

American dynamite.

You say you bought American dynamite in 1894?—Yes.

And it resulted in a complete failure?—Yes.

May I ask where the test was made?—At our factory.

At your factory. But you did not test it in the mines here?—It was too dangerous to send it out of the factory; the nitro-glycerine was exuding.

America is a big mining country too, is it not?—I think so.

Quartz mines mostly? And they get along with their dynamite, don't they?—They have to, because they have got such heavy protective duty, nobody else can get their's in there.

But they manufacture their dynamite themselves?—If they cannot import it they have to make it.

They have got large saltpetre beds, have they not? Where do they get their sulphur from?—I have never been in the States.

You acted in a like capacity as you do here in Mexico?—No; I told you no. I have told you I have been an agent in Mexico.

A dynamite agent?—Yes, in Mexico.

And here in what capacity do you act?—Here I am director of the company called the South African Fabrieken.

You deny that dynamite is supplied to De Beers at 57s. 6d.?—I have said so.

Price of dynamite at De Beers.

If I were to bring it to you in writing from De Beers Company, would you still contradict it?—I think we can get along much better if you explain for what kind of dynamite they pay that price.

It is for 75 per cent. dynamite.—Then the only thing I can say is that I am very badly informed.

And the directors of De Beers told me they could get it for less.—All you people in Johannesburg say the same thing.

Is it not sufficient if we get it for 37s. 6d., and pay the Government 12s. 6d.? We would be quite content if we get it even down so far.—As the Chairman said, that is a question for the Commission to resolve.

The Government dynamite contract.

Well, I thought you might know these things.—According to my contract, I can charge up to that price. If I do that, no one can blame me.

Of course not. But the concession was granted on the condition that you manufacture the dynamite here?—That is what we do.

That is what you don't do.—How not? Have you read the contract I made with the Government?

Who has got it—Mr. Vorstman or yourself?—Mr. Vorstman got the contract.

To manufacture or to sell?—That is where the point comes in. The contract was "for the carrying out of the State monopoly for the making, selling, negotiating in, and the importation and exportation of powder, ammunition, dynamite, and all other explosives." This contract was transferred to the company now existing.

Before Mr. Vorstman had this contract who had it?—I don't know. That is not a question for me.

Mr. Vorstman got this contract?—

Chairman.

Mr. Vorstman, Government buyer.

We have got nothing to do with who had the contract before the present contract.—This contract was transferred to the present company for the execution of the State monopoly for the manufacture and selling of explosives here, and the buying was given to the Government's agent, Mr. Vorstman.

Mr. *Albu.*

The buying?—Yes. It was given to Mr. Vorstman, and he transferred it to the company.

Quantity of dynamite manufactured per annum.

Now, you state that your factory is large enough to manufacture 80,000 cases a year?—And more.

Since when has the factory been completed?—We commenced the factory in October, 1896.

How much have you manufactured since October, 1896?—About 40,000 cases.

Quantity of dynamite required annually

And the requirements would be about 136,000. And the gühr impregné?—We have manufactured out of our own nitro-glycerine we make here.

Manufacture of dynamite materials in Transvaal.

Do you make the sulphuric acid here?—Everything. We make the nitric acid, the nitro-glycerine, the dynamite, and blasting gelatine here.

Importation of dynamite materials.

You make the nitro-glycerine and sulphuric acid here. You import sulphur?—Yes.

You import the saltpetre?—Yes.

You import the glycerine?—Yes.

You import the gühr?—Yes.

You import the cotton?—Yes.

Then, what on earth do you make here?—I make the dynamite.

Now, you admit you import all these things. You have to pay freight on sulphur, on saltpetre, on glycerine, on gühr, and on the cotton. You have to pay your workmen about three or four times as much as you pay them at Home. Now you import all these articles. Where does the advantage come in to the country? What advantage has the country got?—What is the advantage to a country of any industry?

We don't want to go in for political economy. You might answer the question. Have not engineering firms the same right to say that they manufacture engines here? They import all the parts, and only put them together here. What I wish to show to the Commission is that, with the very best intentions, what you have executed lately of making 40,000 cases, surely must have been made at a much higher cost than that at which you could import them? May I ask you what it costs to make blasting gelatine here?—Well, I am certainly not going to reply to that. I am not going to ask you what your cost price is, if you manufactured anything here.

Comparative expense of importing and manufacturing dynamite.

But if someone has got to buy an article, he will know what it costs at home and here. I assert that dynamite No. 1A, 75 per cent., costs at the factory at Home, 18s. 6d. per case.—May I ask you what you know about dynamite.

Well, I have never manufactured any.—Because you are talking of dynamite No. 1 and No. 1A.

I am talking of No. 1.—Then you must not talk of No. 1A.

I mean 75 per cent. dynamite, costing 18s. 6d. at Home. I say if you manufacture it here it costs you over 60s. Blasting gelatine costs at Home 50 per cent. more than the manufacture of 75 per cent. dynamite, and it will cost you more than 50 per cent. here to manufacture gelatine. But you say you have not manufactured blasting gelatine here?—Oh yes; we make it.

Comparative expense of importing and manufacturing gelatine.

Will it surprise you to hear that one of the leading chemists here says that, with the appliances which you have got at the factory, it is absolutely impossible to make blasting gelatine here at anything like a reasonable price?—I suppose that is one of the chemists we discharged.

That must have been a misleading chemist. I am speaking of a leading chemist.—Is he an expert in dynamite?

Yes, he is.—Would you mind telling me his name?

I don't know whether I am at liberty to tell you his name.—In those circumstances, I maintain he does not know much about dynamite.

But it appeals to the common-sense of everybody. You have to import all the ingredients and all your workmen, so that it must cost you very much more than they can make it for at Home. You also manufacture powder?—Yes.

Manufacture of powder by South African Explosives Company.

In large quantities?—It depends on what you call large quantities.

Is there any sale for powder in this country?—What sort of powder do you mean?

Gunpowder.—There is a pretty good demand for it.

Do you supply the Transvaal Government with gunpowder?—Yes; I do.

Why is it then that they import all their cartridges?—You had better ask the Government.

They cannot make cartridges here, can they ?—Well, I make them.

Manufacture of cartridges by South African Explosives Company.

You import detonators ?—Well, you can't call them detonators. You mean the cap ?

Yes. And you import the bullets ?—Sometimes.

Then you fill them with powder ?—That is the principal part of it.

Then why does not the Government buy their supply off you ?—You had better ask the Government.

It is strange to say these cartridges are manufactured here.

Chairman.

That has nothing to do with the mining industry.

Mr. *Albu.*

Where do you procure your raw material for powder ?—Partly in this country and partly elsewhere.

Manufacture and importation of materials for powder.

Which Transvaal product do you use for the powder ?—Charcoal. We make it ourselves.

Do you sell your cartridges to the burghers ?—I do.

Chairman.

That has nothing to do with the mining community.

Mr. *Albu.*

It affects the question so much that when the concession was granted it was pointed out what enormous advantages they would have through it in the case of war. Now we find the Government is even importing powder too.

Chairman.

I suppose the Government has its own wise reasons for that.

Mr. *Albu.*

Oh, yes! You are the sole agent for selling detonators ?—Yes.

The price of detonators.

You cannot tell what they cost in Europe ? We pay 4s. a case.—No.

When we had an open market for detonators we paid 3s.—I don't know the price and cannot tell you.

Can you tell us why Lewis and Marks draw this royalty on dynamite ?—I think you had better ask Lewis and Marks about it.

I know I should get the information from them, but I thought you might know as a director of the dynamite company.—I am a director of the present dynamite company.

Chairman.

The question of cheap dynamite is considered by the mines to be a vital question, and therefore we must try and find out as much as possible, to see how far it is possible to meet the mines and give them cheap dynamite. Several questions Mr. Albu put to you, you have not replied to. In several cases you have said that the case rests with the Government. I have myself found that Mr. Albu has, perhaps, put some questions to you, which you were under no obligation to reply to. But there is one question upon which I want to have an answer from you. You say the Government purchased, and not the company. The Government of course have a person who conducts the

Mr. Phillip's replies to Industrial Commission.

sale for them, though I thought it was done through the company, and since you are a director of the company I thought that you were the person to give us the information on this point. Now I only want to know from you who is the person who buys for the Government?—It is the Government agent, Mr. Vorstman.

Mr. Vorstman, the Government buyer.

So consequently I must draw the deduction that the company has not yet taken the position that Mr. Vorstman had in the original contract?—It is so difficult to explain. I know that Mr. Vorstman has always been entrusted with the buying of the material. Of course it is practically the company, so there is some difference, but how this originated I really cannot say. Mr. Vorstman is the Government agent for buying.

Respective positions of Mr. Vorstman and of the South African Explosives Company.

European prices of dynamite

Then you further said that you could not state the price in Europe, and at what price it could be delivered here. It does not concern you very much, because, as long as you remain within the terms of your contract you consider you have fulfilled your obligations. In the contract there is a maximum price of 95s. per case, and if you sell at 85s. you mean you are within the boundaries of your contract? I must say on that point that I am astonished that the company here, which has to import, is not aware of the price at the place from whence it imports dynamite. The contract does not fix a minimum price, and you will agree if you sell at a lower price, and still make the same profit as at present, that will then be in favour of the consumer. And I have always thought that any man of business should study the interests of the consumer. I, therefore, think that you ought to be cognisant—although you buy for the Government—that you at any time can advise the Government when the Government ask for advice, and I hope you will still be able to do it when called upon, and to say whether you can deliver it cheaper here and sell it cheaper, for against you we have got very strong evidence from the other side, which I must take to be true, which says dynamite can be landed here for so much less than at present.—May I make one remark. It must not be lost sight of that the Government is importing for us, and during the time we had to build factories, and the contract stipulates that as soon as the factories are ready and cover the whole of the requirements of the country, then the importation would stop, except in case of accidents which are beyond our control. That is the reason why the company has not fixed their attention on the European price so much. Its importation period will soon be ended, and then all the dynamite or explosives will be made in this country.

Future importation of dynamite and of raw materials for the same.

That does not throw light on the case from my point of view. In October, 1896, your factory was finished, and you say you now make dynamite here; I now understand from you that the time will arrive that the importation of the materials from which dynamite is manufactured will stop.—Yes, and I think I can promise in about a year or a year and a half, if the consumption remains as it is to-day, I will be able to produce the whole requirements of the country.

By material found in the country?—Ah, that is another question.

That is the point I put to you. If all the material has to be imported it does not bring us any further?—As soon as I am able to produce the whole requirements of the country, then gühr impregné does not play any part in the importation. Then the only thing I will import will be saltpetre, sulphur, glycerine, a little gühr, and a few articles which I cannot find in this country in sufficient quantities. I am making experiments, and I think I can get the whole of the sulphur in the country. Of course I must import a certain quantity of sulphur to have a reserve. As to saltpetre, I cannot find sufficient quantities in this country.

Purchase of raw materials for dynamite.

To come back to the question with reference to the importation of the material required for dynamite. Is the company bound to buy that stuff from Nobel's, or are

you free to buy it from any other manufacturer?—I suppose you refer to the raw material?

Yes, the 466,000 cases.—That, of course, the Government buys. In connection therewith, I would like to say, and could not before explain, or did not recollect at the moment, how it was that Mr. Vorstman was Government agent for buying these raw materials. I have remembered since that there exists a letter from the Government appointing Mr. Vorstman and Mr. Klimke together as agents to buy the raw materials. I cannot remember the date. It must have been before the time I became a director of the company.

Mr. Vorstman and the State Mining Engineer the Government Agents.

So you cannot answer the question?—No.

Can you tell how many cases of dynamite were manufactured at the factory out of the 466,000 cases of raw material?—I find that during the period from June, 1894 to October, 1896, we sold 340,000 cases.

Quantity of dynamite manufactured from imported materials, from June, 1894, to October, 1896.

Can you state the cost price of one of those 466,000 cases?—Well, of course the Government keeps the invoices, and I cannot tell.

You are wrong there, Mr. Phillip. The Government does not buy and does not sell. The Government have the right to do so, but they do it through other people. The Government buy nothing, sell nothing, and keep no books.—I really do not know the cost price.

I have no more questions to put, but I wish to point out that in dealing with this question you must not lose sight of several facts—in the first place, that it is to the interest of the country certainly to keep manufactories going here. The dynamite factory, for its origin and existence, depends upon the mining industry, and so we have to try to regulate it in such a manner that through the existence of the dynamite factory in our country the mining industry may not be injured, but should be benefited. And in this case you must keep the interests of the company itself in view; and if now it really appears to us that it may be through the fault on the part of the Government in granting such a concession, or it may be the fault of the company that they cannot carry out the concession on a cheaper basis, then it is our duty to try that the Government or company should find a way by which dynamite can be delivered cheaper at the mines here?—May I add that I can ask the Government to give all the prices required. I have not got them.

The dynamite factory and the mining industry.

Mr. *Brakhan.*

What commission does Mr. Lippert draw on detonators?—I think it is 5 per cent. Is it not 7 per cent.?—It may be 7. I am not quite certain.

Mr. Lippert's commission on detonators.

Do you manufacture detonators in the Transvaal?—No. We have made a proposition to the Government, but we have found that the climatic conditions of this country would render the manufacture of detonators too dangerous.

Manufacture of detonators.

Then you import all the supplies of detonators?—No, I don't import them.

Importation of detonators.

Well, who imports them?—The company imports, but not all supplies. There were permits given out some time ago by the Government. It must be about three years ago, and on these permits they are still importing detonators into this country. That is, merchants are importing.

Now, what do detonators cost in quantities in Europe?—I really cannot tell you. I mean I did not prepare myself for detonators in the least.

Price of detonators.

Well, it goes very closely hand-in-hand with dynamite?—In some respects it does; in others it does not.

What is your selling price here for No. 6 detonators?—I can get you these figures in the afternoon.

Is it not 4s? That is what I gather from an account I saw.—I have not got the figures.

If the market was open, as it was formerly, we could buy detonators at 3s., No. 6, and that has no doubt left a good profit to the merchant. In that case the mining industry would save on detonators alone £72,000 a year?—The only thing I can say is that this company does not sell all the requirements of detonators for the reason I explained, so in accusing the company of charging too much for detonators I don't think there is much foundation for that. We have tried to stop the permit system. The permits are valid as long as the total amount for which the permit is given is not written off. Under the permit they are allowed to import so many cases. Every time the cases are imported they are written off, and until the whole amount is written off the permit holders are still allowed to import.

But the biggest quantity is supplied by the company?—I am sorry to say no. I don't think so. I have not got the figures of the detonators supplied during 1896, but I can give you them in the afternoon.

European prices of dynamite.

I say from the evidence brought before the Commission as to dynamite supplied to De Beers, that the price paid leaves a large profit in Europe. Yet there is no doubt that this surplus might be materially increased if there was free trade in dynamite?—You will get all the information from the Government as soon as the Commission, which has been appointed to investigate specially this question, has handed in their report.

Personally, I cannot help saying that I am very surprised that the company should not be able to give to the Commission the cost price which they, in terms of the contract with the Government, pay in Europe for the dynamite which they import, and for the raw material.—All the members of the Commission have expressed their surprise that I don't know the European price. I have given you a declaration under oath, and I am sorry to say I don't know the European price.

Mr. *Pierce.*

Price of imported raw materials for dynamite.

Can you tell the price at which the Government agent brings in the raw material here?—The Government agent imports the materials for the Government. He keeps all the invoices, with freight expenses, etc. The invoices he hands in to the Government.

Then the Government hands over the stuff to you as it arrives?—Yes.

The Government and the South African Explosives Company

You get a certain amount of raw material at the factory. Whom do you pay for that?—According to the contract we have to hand in the product of the sales to the Government. We do not pay for the raw material delivered to us by the Government agent. The product of the sales is handed to the Government, who retains the original amount and returns us our expenses, and so on. It is mentioned in the contract what the Government retains—that is 5s. each case, and 20 per cent. of the surplus profit, while the Government relieves the agent of any special tax.

You invoice No. 1 dynamite at 85s. Do I understand you hand over the whole of that to the Government?—Well, practically we do, and receive a certain amount back. We do not carry that arrangement out to the letter, because it would be too complicated. We render an account every three months of what we have sold.

Then you do not know how much you receive?—No.

The Government receive 5s. a case. Then I take it you receive the remaining 80s. per case, less, of course, the original cost of the raw material?—I refer you to our last balance-sheet for 1895. There we have made a profit at the rate of 8 per cent. per annum. I may tell you that from the formation of the company in 1894 up

to the end of 1895 we paid to the Government about £48,000 royalty. We made a net profit of £58,000.

I want to know what the raw material costs delivered here?—I don't get the European account. The Government tells us, through the Government agent, so many cases have arrived. The Government agent says, "You owe so much for this." Price of imported raw materials for dynamite.

Yes, that is what I want to know. How much do you pay for it, including freight, and everything, delivered at the factory through the Government agent?—I have not got those figures.

You referred to the balance-sheet of 1895. Can you put in a copy of that at all?—Yes, but I have not got it with me. I can send it to the Commission. You have the report of the Volksraad Commission.

But we are investigating the matter now.

Mr. *Brochon.*

Where is the head office of your company?—At Pretoria.

You do not know anything about the profits of 1896?—That I did not say. I said to Mr. Albu yesterday that our general shareholders' meeting will be held on the 28th June, and on the 29th June I will be at liberty to tell you what profits we have. Profits of South African Explosives Company for 1896.

I do not ask what your profit was, but you have made your payments to the Government, and I do not see how the holding of your general meeting of shareholders can alter these figures?—I do not say we are going to alter figures.

How many pounds, shillings, and pence have you given to the Government last year?—I can send you these figures from Pretoria.

You said yesterday that you expected to find the materials in this country for the manufacture of dynamite?—I do not remember having said that I was going to find all the raw material in this country. I have said that, according to my ideas, there is sufficient sulphur in the country, but not saltpetre. Importation of raw materials for dynamite.

Now you are importing all these raw materials?—Yes.

Can you tell me what is the weight of raw material you import for making, say, a ton of dynamite?—You know about the manufacture of dynamite. There is saltpetre, sulphur, glycerine, then you have all the bye-products, nitrate of potash, soda, chalk, ochre, and then your boxes, nails, etc.

What do you reckon, about, is the weight of these materials that go to the manufacture of a ton of dynamite—do you think it is six tons?—For argument's sake I will accept your figure of six tons as true.

That is a very important point, because, if we make a calculation of the transport we have to pay on about six tons instead of one ton of dynamite if it were imported prepared, you will see it is a wrong speculation.—If you take any dynamite industry in Europe, it has to import most of the raw materials. In England don't you import saltpetre, sulphur, and glycerine? In Germany where do you find saltpetre? Even in France you import glycerine. Cost of importing materials for dynamite in bulk.

Transport by sea is not heavy; we all know you must import saltpetre, but what is very expensive is the transport from Delagoa Bay to the factory.—Don't you say it is a wrong speculation?

In Germany and France we pay 20 and 25 sous per day to girls we employ, and you pay ten times as much here?—No, we employ kaffirs and machinery.

You told us you expected to find some sulphur here; will you kindly tell us whether it is free sulphur, or sulphur in pyrites?—At present it is only in pyrites; we have got pyrites containing between 38 and 40 per cent. of sulphur. Quality of Transvaal sulphur.

When the pyrites contain less than 45 per cent. it is not a mercantile one? We know that if you burn pyrites which carry less than 45 per cent. of sulphur you have

a lot of difficulties to contend with?—I am not a chemist. I have not studied dynamite technically, and I go by what my chemist tells me. Our general works' manager is a man of very great experience in dynamite and everything connected with it, and he has told me that, as long as pyrites contain 38 or 40 per cent. of sulphur, he is quite satisfied to take all the pyrites you can bring to the factory.

Have you practical proof, or is it only laboratory experiments?—Practical proof on a large scale.

Well, I am very much surprised at it. Where in this country do you get pyrites with 38 per cent. of sulphur? It must be very pure?—Well, I get it from Johannesburg.

If you get it in Johannesburg it must be an exception, because we know very well what kind of concentrates we are treating, and we know we cannot get concentrates which carry 75 per cent. of pyrites. You must have a very small quantity?—We are promised any amount.

Mr. *Albu.*

You say your head office is in Pretoria?—Yes.

Nobel's and the South African Explosives Company.

You keep your share register there?—Yes.

You do not know whether my allegations were correct, that Nobel's have 220,000 shares in your company?—I did not say whether I knew it or not, I say it has nothing to do with the case, and prefer not to reply to it.

Don't you think that the deduction which people will make on hearing that answer will be very disadvantageous to yourself?—Mr. Albu, whatever I may say to this Commission, as soon as the public gets hold of it they are going to draw all sorts of conclusions, whether I reply or whether I do not reply. Public opinion is against me, I know.

Transvaal sulphur.

Your statement that you find sufficient sulphur in this country to make two or three hundred thousand cases of dynamite, might lead people to think they are listening to stories of Jules Verne.—I do not say this in order to show that I care what the public thinks of it. The question was asked, and I replied to it. If other questions do not suit me on account of my private interest in the company, I am not going to reply.

Nobel's and the South African Explosives Company.

You prefer not to answer whether Nobel's are registered for a large amount of shares in your property?—About the share register I simply deny any information.

The purchase of dynamite materials.

You see the question is very important. The Government agent buys the material, etc., from Nobel's; the dynamite factory buys it from the Government's agent, who happens to be, practically speaking, the same man; and my contention is that this dynamite factory is nobody's but Nobel's, and the mining industry buys at an enormously high figure. You do not know the profits for 1896, or at least you do not want to tell us?—You are under a wrong impression. I said the Government sold us material. I expressed myself wrongly. I think you gathered from the replies I have given of how the transactions are made, that the Government sold us the material. The Government does not make any profit on the transaction, it transfers the materials to the company.

The Government and the South African Explosives Company.

You know the whole thing would be a very good subject for Gilbert, the author. For this Commission it is sufficient to know that dynamite is sold at Home at 23s., and that this enormous interest is to pay 85s. Where does the difference go to? Somebody must make the profit.—I do not know what European prices are. I have not seen the offers the mining industry has been bragging about for the last six months. I have seen by the evidence given by Mr. Jennings the other day, he gives prices of American dynamite, and works it out at certain prices laid down in Johannesburg. If I take his

figures, I arrive at a much higher figure in Johannesburg. With the incidental charges you will find it eventually will cost twice as much.

European and Rand prices for dynamite.

If you take the figures of Mr. Jennings, and you add your factory charges and other little leakages, then you might have a higher price than now. We recognise that Nobel's Trust is a very strong corporation, and it may be interesting to you if I read an extract from a letter I have received from Vienna, where the mining industry is trying to get dynamite reduced, not from 85s. per case, but from 26s. per case. They tried to get a reduction, and Nobel's ring would not entertain the proposal. The result was that the gentlemen concerned combined to form a company and to build their own factory. They were backed by two of the most eminent bankers on the Continent, and it was agreed that only cost price would be charged, and that any profit arising should be returned to those interested in the mines. Their grievances are not 85s. per case, but only 26s.—What is the consumption of that country?

Nobel's Dynamite Trust and the price of dynamite.

I have no idea; but Austria is one of the largest mining countries in the world.—Do you think you can run a dynamite factory without making a profit?

This is quite a mutual arrangement, and one I suggested to this country five years ago. But, in the case I have mentioned, the interesting portion is contained in a letter I read, dated April 23, to the effect that Nobel's, in order to prevent the erection of a new factory, have made considerable concessions to the mining industry. Now, if you could manufacture dynamite which could reasonably compete with that manufactured at Home, or if you had imported dynamite and sold it to the industry at a reasonable figure, I for one would never have taken up this position. But to be squeezed, as it were, to pay 85s. for an article sold at Home for 23s., that is more than the mining industry can stand.—What do you call reasonable prices?

That is a thing I cannot go into.

Mr. *Hay*.

Prior to the dynamite explosion you admitted that the price of dynamite was fixed at the magazine at 85s., and that the delivery to the companies is about 6d. per case. What did it cost you to transport the dynamite from your factory to the magazine in Johannesburg?—At that time we had to transport the dynamite from the old factory by rail, and I think the cost of transport came out at about 5s. per case.

Transport charges on dynamite from factory.

The conclusion arrived at is that, since the explosion dynamite has been increased to the mines by a shilling per case, and that is additional profit. What is the cost of your magazines?—Magazines as we build them, underground, cost £250 each.

What is the interest on £250?—About 6 per cent, £15 per year.

How many cases of dynamite can be stored in the magazine?—Say about 2,000 cases.

It would, therefore, be fair to assume, if you take it for 12 months, that 12,000 cases of dynamite pass through that factory, and you save £600.—You start from a wrong principle. You say this belongs to you, and I say it belongs to me.

I want to get a straightforward answer to a straightforward question. Since the explosion your company has profited 1s. per case more than they did prior to the explosion?—Not exactly. We have to carry our stock from Leeuwfontein to our new factory. After the explosion we were ordered to clear the magazines, and in order to be close to the mining industry we established magazines on our factory. We had therefore to transport the stock from Leeuwfontein to our old factory, which means the same as if we had brought it to Johannesburg.

Your contract is 85s. at the magazine, and since the explosion you have made us pay 1s. more. The 1s. you save you do not give to us. As managing director of this company it is your duty to make the best possible profit you can for your share-

holders. You also see that the profit is made as much as possible, because 20 per cent. goes to the Government, after 8 per cent. has been paid, as well as sundry reductions. Is it not your duty to see that the material required is bought in the cheapest possible market?—What do you mean by the cheapest market?

Cost price of imported dynamite materials

The question is simple enough. The terms of the contract are that you erect the factory, and the Government gets 20 per cent. of the profits, and that the books be kept in a proper mercantile manner, and the Government shall have the right at times to look into them, so that they have some control over the manufacture, and so that the Government may see that they get the 20 per cent. Now, as managing director of this company, should you not see that the goods are bought at the cheapest possible price?—I don't quite agree with you.

Then will you explain your duty as managing director?—Yes. My duties are first to look after the safety of the people in the factory and then to turn out a first-rate explosive. It is the duty of the Government's agent to buy the material in the best market.

No, no. I don't want the Government agent, I will come to that by-and-bye. You are in charge of this factory, and you have to get the material from the Government agent. Is it not your duty then, as the head of this institution, to see that you get good articles at the best possible price?—Yes.

The quality of imported dynamite materials.

Then can you tell me whether you get good quality?—Yes.

The cost price of imported dynamite materials.

Can you tell me the price it has been supplied at?—I can tell you the cost price at the factory, and I don't feel entitled to give that price away.

The Government is entitled to 20 per cent., and, representing the Government, I want to see that they are getting the right amount.—I would suggest that a special commission be appointed by the Government.

That is the best thing we could have. Can you tell us now whether you get the goods at the best possible price? Are you satisfied, as managing director, that these materials are bought in the best possible market, having regard to quality?—Yes; I am quite satisfied.

Do you pay the Government or the Government agent when the material is delivered at your factory? Does the Government agent furnish you with the invoice? —Yes.

The agent pays expenses of transit and insurances and cost of the material, and you pay him; therefore, you must know the cost of the material in Europe approximately?—Yes; approximately.

Then you do not know whether the Goverment agent supplies you with the goods at the cost price?—He has to.

How do you know?—According to the contract.

How do you know whether he is fulfilling it?—I have good faith in him.

You test the quality when you get it?—Not exactly. Dynamite is an article that you can buy to-day and to-morrow. During our building period the Government imported large quantities,—I mean larger quantities than any factory in Europe could supply.

You don't exercise any control over the 466,000 cases of material brought in during the past 18 months. You don't exercise any check over anything whatever? —It is no business of mine.

The purchase of dynamite materials and Nobel's Dynamite trust.

These goods are bought through Nobel's Dynamite Trust, and if they charge twice as much for anything, you pay it and reduce the profit of the company, and the profit due to the Government is also reduced. Therefore, the factory is Nobel and Company. That does not show that the goods are bought in the best possible market,

for the profit may have been made larger than 80 per cent.?—What is the best market?

"The best market" for dynamite materials

The best market is where you can get the best goods at the cheapest price.—I don't know the price in Europe.

You should see, in your position of managing director, that the State is protected, by buying in the best possible way. The fact is, you have to buy from Nobel's and charge us the highest possible price. Now, suppose the Government agent delivers goods of the value of £350: Do you give him £350?—We pay it to the account of the Government.

The purchase of dynamite materials

First of all you buy the material from the Government agent. Does he give you an invoice?—I credit the Government with the amount received, and then I hand in an account for the sales I have made, and after deducting my expenses the Government gets 5s.

Now, I have a few simple questions. If you will give me simple answers we will soon get through. Who is the Government agent?—Mr. Vorstman.

The Government buyer.

Where is Mr. Vorstman now?—In Europe.

How long has he been in Europe?—He left on the 31st March.

Who acts for him now?—Well, to tell the truth, I don't know. I was not here when he left. I don't think there is an acting Government agent, because Mr. Vorstman intends to return very soon.

Then how does this thing work now? You have told us that the Government agent orders the goods and hands them over to you. Who does that when Mr. Vorstman is away?—The company does it.

Which company?—The dynamite company—the company I am representing.

Therefore, all this talk which we have had before, that it is sometimes the agent and sometimes the company, all comes back to the fact that it is the company?—In this special case it is so, as to the duty of the Government agent.

You are the Government agent now?—No.

Well, acting Government agent?—I have not got the appointment.

Will you tell us then under which thimble the pea is?—I tell you the company does it now.

How long has the company been agent for the Government?—Since April.

The question at the present moment is, that the company orders the goods from Europe from Nobel's Trust, brings them out, hands them over to you; you sell them, and you hand over to the Government what you like?—What I like? No.

How much do you hand over to the Government?—I hand over the statement, according to my contract—5s. per case.

And you adjudge the payments in Europe as it suits your company?—Yes.

How many cases do you anticipate you will make out of the raw product this year?—I said, since the month of October up to the end of April we manufactured 40,000 cases.

How many cases do you expect to make now onwards per month?—It is very difficult to say, because we have to take advantage of the cold weather. But we manufacture now at the rate of 80,000 cases per year.

Estimated amount of manufactured dynamite.

The consumption here is probably about 180,000 cases a year?—More or less.

How has the remaining 100,000 cases to be got?—It has to be imported.

In the same manner?—According to Volksraad resolution.

In importing that gühr as it is, and the glycerine in lump, would it be cheaper to import it already made up in cartridges?—That would be going into the European price.

Comparative cost of imported finished and half-finished dynamite.

Which you don't know anything about?—No.

In your opinion, would it be cheaper to bring 120,000 cases, all ready as blasting gelatine or as dynamite, or to bring it out in bulk, and then manipulate it here, and put it into cartridges?—That is a question of calculation for which, of course, I must have European prices. The only thing I can tell you is that we started to manufacture in this country. It costs us about the same as the goods prepared out of gühr impregné in those places. I cannot say whether it is cheaper to introduce the finished article, because then I ought to have the European price of the manufactured article and of the half-finished article.

Comparative cost of dynamite manufactured in Transvaal, and of dynamite made, of imported half-finished goods.

You don't know the prices of the half-finished article and the finished article?—No. The only thing I can say is this: The cost of the cartridge explosive made in this country, and the cost of the cartridge explosive made of the imported half-finished goods would be about the same.

Now, we have got something at last. Then the question comes to this. If the statement made before the Volksraad Commission, that the profit on the manipulation of imported stuff leaves a profit of about £2 per case, then the manufacture of the dynamite out of the imported ingredients would be about the same price?—Assuming that the report is true and correct.

Estimated profit of dynamite factory.

Therefore, the profit of the factory, if the output is 180,000 cases, would be £360,000 a year?—Yes, if you take £2 as correct, for argument's sake.

We have got one definite statement—that the cost of making the raw material and making it from gühr impregné and lump gelatine would be the same. Therefore the capital of your company is £450,000, and the profit, at that rate would be £360,000?—Well, I cannot follow the calculation.

Profits of South African Explosives Company for 1895.

It is very simple.—Yes, if you take £2 to be correct. But I said it was not correct. I have said we only made £58,000 profit for the year 1895.

Returns of South African Explosives Company for 1896.

The point is, you have got shareholders, and have to hold meetings. Now, what is the use of talking about ancient history. We might as well talk about the ancient Romans as what occurred in 1894. Surely you can give us something more reasonable. We want the figures for 1896.—I am not entitled to give out figures before the balance-sheet is accepted by the shareholders.

It is a very curious thing. You say the figures are not correct, and then, when I ask you in how far they are not correct, you decline to answer?—I have given you the reasons and I think they are very good.

Will the balance-sheet show how much profit you make per case?—Yes; you can figure it out very easily.

You cannot remember what these figures are?—Well, of course, I can say, more or less, but I do not see any reason for telling you the figures now.

Partition of shares of South African Explosives Company.

When the question was put as to how the capital was made up you declined to answer. Mr. Bourne, the secretary of the Transvaal Dynamite Factory, when he was here, gave me those figures when the contract was entered into. 182,500 shares of £1 each were paid to the previous concessionaires, whose concession had been cancelled; 25,000 fully-paid-up shares were issued to Mr. Lippert; 22,500 shares were issued to persons unknown; and 220,000 were issued to Nobel's Trust against payment in full cash. What did the company get for £230,000?—You say Mr. Bourne told you 182,500 were issued to the old company in exchange for all the assets and properties in this country?

The assets were not worth £182,500.—But perhaps the property was—the old farm and the buildings.

Would you say the farm and the buildings thereon were worth £182,500?—They may have been worth that to our company at the time.

Does the agent, who buys for the factory, get remunerated?—As the Government agent, he gets nothing. Remuneration of the Government buyer.

Does he do it for goodwill, or for love?—As Government agent, yes.

Why does Mr. Vorstman do it; he is the only man I know who serves the Government for nothing?—I don't think I am entitled to reply for Mr. Vorstman's private affairs.

Do your company pay him anything?—Yes, because he is a director.

Does he get commission for buying?—No.

Is it a fixed remuneration, or does it depend on the profit that is made?—He gets a fixed remuneration, and a bonus at the end of the year.

If you import this large quantity of raw material, assuming that it takes six tons of raw material to make one ton of dynamite, then if there is a reduction in railway rates, there would be a large saving on the cost of transport?—Yes. Railway rates and the importation of raw materials for dynamite.

If these reductions are made by the railway, is your company prepared to take all the profit, or are they prepared to reduce the price of dynamite?—We are quite prepared to reduce the price then.

I will only say I regret having had to put these questions to Mr. Phillip. I am sorry that Mr. Vorstman, or someone who is intimately connected with the retaining of this concession, is not here to answer the questions.—I may remark, Mr. Chairman, that all the information Mr. Hay requires, if I, as a representative of the company, get an order from the Government, I shall be very pleased to give the information.

Mr. *Smit.*

What is the weight of the blocks of gühr impregné?—They vary from 5 to 7 lbs., and up to 10 lbs. each.

What is the price of a block delivered at your factory?—I cannot tell you exactly; we never calculate on blocks.

How many of these blocks does it take to make a case of dynamite?—Five or seven, according to weight.

What does it cost to manufacture cartridges, then, out of such a block?—We calculate it about 21s. or 22s. per case, without general expenses. Cost of manufacture of dynamite cartridges

Chairman.

With regard to the last arguments of Mr. Hay and Mr. Phillip, I feel obliged to say this. Mr. Phillip stated in the beginning, and maintained, that he could not give us some information because Mr. Vorstman was the agent. I thought the information was not in his possession, and, therefore, I came to the conclusion to call Mr. Vorstman later on, or his representative here. Now, Mr. Phillip states that he can give such information when the Government gives him instructions to do so. I must tell him that we are a Commission appointed by the Government to enquire into every matter connected with the case, and to hear all the witnesses necessary; and, if Mr. Phillip can give this information on behalf of Mr. Vorstman, I do not want to go back and get instructions from the Government. I have got instructions, and if you have the information, you ought to give it.—When I said I was willing to give the information on the instructions of the Government, I did not say I had the information with me. I will have to get it from the Government, as the Government keep all the papers referring to importation, so that, if this Commission asks me to produce it, I have to get it from the Government. Mr. Phillip and information concerning the importation of dynamite.

Mr. *Smit.*

I do not understand why you should go to the Government to get the informa-

tion, because you stated the agent had all the information, and the agent had all the papers. The Chairman has stated that all the work is done by the agent, and the Government do nothing themselves. Consequently, the papers are all in the hands of the agent, and you are the agent at the present moment, and now you want to go to the Government for information.—As I have said, all the invoices have to go to the Treasurer-General.

You would do better to say that you won't answer the questions, as at present you leave the impression that you won't answer.—I am sorry this impression is created, as I am willing to answer anything I know.

Cost of imported dynamite materials.

You have stated that you don't know the cost of gühr impregné here; how do you pay for it—per pound, per ton, or per case?—The Government gets the invoice, and it is made out per case or per ton.

You say you get the invoices, and after you have deducted the charges you can find out what it costs in Europe?—If I deduct the charges—yes. If the Government ask me for the invoices, I will ask for them and produce them.

I shall be very pleased if you will get those papers and give the information. You said in your statement that, practically, the company buys the material. The Government are practically intermediaries, and as the company are really the people who buy, they must be able to give all the information.—Yes. As I said, the Government agent is separate from the company, so far as buying is concerned. I said later I had refreshed my memory, and I remembered that a letter had been written from the Government appointing Mr. Vorstman and Mr. Klimke Government officials for buying raw material.

The purchase of dynamite.

The Government buyer.

Was that before the new contract was entered into?—The letter must have been written somewhere about the same time.

I understood from you, when Mr. Brochon questioned you, that six tons of raw material are necessary to manufacture one ton of dynamite.—I admitted it for argument's sake. I am not a technical man, and I have not got the figures, so I can't tell you exactly.

Comparative cost of imported and Transvaal manufactured dynamite.

Seeing that so much raw material is required in bulk for the manufacture of dynamite, it follows—seeing that some of the material disappears during the course of manufacture—that dynamite must be far more expensive here. It cannot be made to be profitable, or delivered at competing prices, because you have to pay for such a lot of waste weight?—I daresay.

You would lose such a lot in freight that you could not possibly manufacture here at competing prices with imported dynamite?—I do not think I could do it, not only on account of freight, but on account of local conditions, such as wages, living expenses, and native labour. All these items must always make the manufactured article here somewhat more expensive than the imported.

Mr. *Hugo.*

Pretoria directors of the South African Explosives Company.

Who are the directors of the company at Pretoria?—Mr. Wolmarans, Mr. Vorstman, Mr. Wolff, and myself.

Managing director.

You are the managing director?—Yes.

Directors of Nobel's Dynamite Trust.

Who are the directors of Nobel's Trust Company?—My father is a director, Mr. Reid, of Glasgow; Mr. Beckett, of Glasgow; Mr. Johnson, of Glasgow; and, I think, Dr. Aufschlaeger, of Hamburg.

Chairman of South African Explosives Company.

Who is chairman of this company here?—My father.

And a director of Nobel's in Hamburg?—Yes.

Nobel's head office.

Where is the European head office of the company?—In Hamburg.

Was it not formerly in London?—No.

Who is general manager of the company ?—Mr. Bourne.

And the same Mr. Bourne is secretary of the Transvaal Dynamite Company ?—
es.

In reply to Mr. Albu, you flatly contradicted the statement that dynamite was
ld to De Beers in Kimberley for 57s. 6d., and then you added "We sell to them at
s." Whom do you mean by "we" ?—Of course that was a slip of the tongue.

Nobel's and Mr. Phillip.

But whom do you mean by "we" ?—I mean the Nobel Dynamite Company.

Are you agent for Nobel's ?—No; therefore I say it was a slip of the tongue.

Coming back to the question of the directorate of the company. I believe you
ve the names of the gentlemen who are on the Board in Europe. Dr. Aufschlaeger
he is a director of this company ?—Yes.

The directorate of the South African Explosives Co.

He is also a director of Nobel's ?—Yes.

Similarly Mr. Beckett, of Glasgow ?—Yes.

Also a director of Nobel's ?—Yes.

Mr. Heydemann is a director of your company ?—Yes.

Also a director of Nobel's ?—That I cannot say.

And Mr. James Johnson ?—Yes.

Also a director of Nobel's ?— Yes.

Similarly, your father, Mr. Max Phillip ?—Yes.

Mr. Levy ?—Yes.

Mr. Taylor is also a director of your company ?—Yes.

Also of Nobel's ?—Yes.

At anyrate, you are sure that about six of the directors in Europe of this
mpany are also directors of Nobel's ?—Yes.

Nobel's directorate.

As a matter of fact, is not the duty of this company simply to act as agent of the
ransvaal Government, in accordance with Article 3 ?—I understand a letter has been
ritten, but that was before my time, appointing Mr. Vorstman and Mr. Klimke for
e buying of materials.

The Government agency and the South African Explosives Company.

It must have been written a long time before the new contract ?—No; because
e new contract, as far as I can remember, was signed in 1894. I am connected with
e Dynamite Company since 1895.

The nominal capital of the company is 450,000 shares of £1 each ?—Yes.

And 220,000 shares were issued against cash ?—Yes.

Is it not a fact that only 45 per cent. of that was paid-up ?—No; the shares are
lly paid-up.

The share capital of the South African Explosives Co.

That is not an answer to my question. Was £220,000 paid in cash ?—Yes.

Mr. Hay gave us the information that 25,000 shares, ranking as fully-paid-up
ares, were issued to Mr. Lippert ?—Yes.

Mr. Lippert's shares in the South African Explosives Co.

What for do you know ? Was it not on account of an agreement entered into by
im with the old company ?—That I do not know.

I think in your statement to the Commission you stated it is the intention of the
olksraad to enquire into European prices, which you tell us you know nothing
bout ?—Yes.

European prices for dynamite

How do you know it is the intention of the Volksraad ?—Of course the Volks-
aad took a resolution to that effect.

Do you also know through whom this enquiry will be made ?—As far as I know,
y Dr. Leyds and Mr. Klimke.

Are you interesting yourself in the matter ?—Not in the least.

You stated in reply to Mr. Albu you would be surprised if dynamite could be
elivered here at 40s. I am going to ask you a question. Supposing a firm offer
ere made you, satisfactorily guaranteed, to deliver to you in Johannesburg dynamite

equal to No. 1, approved of by the State Mining Engineer, at 40s. per case, would your company accept that offer?—I think so.

Cost price of raw materials for dynamite.

I am sorry to have to come back to the cost price of these articles, and I must also express my surprise that you do not know the cost price of material, considering you order and pay for it. I will put it this way: You pay the Government the cost price delivered at your factory, plus 5s. royalty?—Yes.

You also know the cost of freight, landing, transport duty, etc., about 11s. 1d.?—About that.

Well, it is very easy to find out the cost of the raw material free on board at Hamburg?—I never denied I could find it out. I really never have taken the trouble to find it out.

The office of the Government agent and your office are in the same building in Pretoria?—Yes.

All the invoices pass through that office?—Yes.

It certainly is surprising you do not know what the Government's agent pays free on board at Hamburg. From the reply you gave just now, I infer you can get the information through your office in Pretoria?—I can get the information by the system you explain. As I told the Commission, I am quite willing to put all these documents in their possession.

Will you supply the Commission with the price of the raw material free on board at Hamburg?—Yes.

Profits of South African Explosives Company on imported materials for dynamite.

Now, you remember that the Special Commission appointed by the Volksraad reported that a profit of £2 per case is made by your company. You would not say that that was correct or incorrect, but later you said it was incorrect?—I said, in reply to Mr. Hay, that it was not correct, but Mr. Hay asked me was it true, and I could not say that the Commission stated a truth or an untruth.

It is not a question of truth or untruth. According to the accounts submitted to the Commission by the State Secretary, there is a profit of £2 per case made by the company.—I cannot say what the State Secretary submitted to the Commission.

It must have been those invoices you told us about, which are in the hands of the Government.—The only thing I can say is that £2 is not correct.

Sale price of dynamite.

You sell dynamite at 85s. that is correct?—Yes.

Royalties and charges on dynamite.

And give the Government 5s.?—Yes.

The charges are 11s. 1d.?—Yes.

And Mr. Lippert gets 6s. per case, more or less?—Yes.

Then what is actually paid per case to people other than the Government?—It comes out to about 1s. 2d.

The total charge, therefore, is £1 3s. 3d.—say 24s. Deduct that from 85s, and there remains 61s. That must be profit after deducting expenses. Where does that profit go to?—Where do you put in the cost of the raw material?

Working costs of dynamite manufacture.

Well, say 21s. for the raw material?—No, I said 21s. for working expenses.

Profits of South African Explosives Company on dynamite.

We have got information that the stuff can be bought in Hamburg for 18s. Even making it 20s., there still remains 40s. profit?—I don't see how you figure that out. Take the cost of working expenses at 21s., that leaves 40s. Now, we make a dividend of 8 per cent.; that figures out at about 6s. 2d. per case net profit.

But there still remains a good profit after that?—But you must take into consideration the risk on the money invested.

Maximum price for gelatine.

Then you have your sinking fund. Is it a fact that the company recently applied for the right to raise the price of blasting gelatine?—Not exactly to raise the price, but to stipulate for the maximum price we could charge for blasting gelatine.

What was that price?—127s. I think.

I think you applied for the maximum price to be fixed at 133s.?—I tell you I am not quite sure whether it was 127s. or 133s.

What do you sell it for now?—£5 7s. 6d.

Cost of gelatine.

Mr. *Albu.*

Price of dynamite in Buluwayo.

You stated that dynamite in Buluwayo sold for 110s. per case. I, to-day, saw a gentleman who is largely interested in Mashonaland, and on reading your statement he told me they paid 90s. per case for Nobel's No. I. Out of that they have to pay 26s. extra transport from the last railway station to Buluwayo. That is included in the 90s., and, after deduction, would leave the price 64s. Then the railway to Palapye is much further than that to the Transvaal. So you are wrong in this statement that they pay 110s.—You can say I am wrong. Of course you don't know where I got the information from. I have the information from a gentleman in Port Elizabeth; as I know this gentleman I trust him.

It is not from your own knowledge. Have you had the other prices you mention also from agents in British India and Australian ports?—Yes.

Well, I have heard, on unquestionable authority, that in Buluwayo they only pay 90s. On the Tati goldfields they pay 80s.?—I have as good reason to doubt your statement as you have to doubt mine.

I don't doubt yours, because if I did doubt it, I would say you make the statement knowing it to be incorrect. You only get your information in the same way as I do., I am not selling any dynamite in Buluwayo. You said it would not cost much more to manufacture dynamite here than in England or Germany. Is that correct?—I said that a case of cartridge explosives made in this country amounted to almost the same as a case of cartridge explosives manufactured of imported half-finished goods.

Cost of local manufacture of dynamite.

Expenses of amortisation of capital outlay of South African Explosives Company.

Then how is it possible that packing and cartridging cost you 21s. a case here, when the whole article ready for shipment does not exceed that price at Home?—There is another item you don't take into consideration. Mr. Hugo enumerated all the expenses we have. One thing he did not mention was the amortisation of the capital spent in this country, our capital outlay.

Would that amortisation increase the expenditure considerably?—I think so.

Connection of Nobel's dynamite trust, with the Transvaal dynamite business.

I have got here a cutting from one of the financial papers. I only read it because it may be interesting. It is a Stock Exchange paper, and appears in Berlin. They are discussing the dividends of the Nobel Dynamite Trust Company. The gist of it is as follows:—"The management of the Nobel Dynamite Trust Company has decided to propose, at the next general meeting, the payment of a dividend of 12 per cent., against 13 per cent. in the previous year. This dividend does not come up to expectations which have been entertained during the last few months, in consequence of the result of business not coming up in the Transvaal to the expectations which they were justified to entertain." And the reason given in this article is that the position and conditions prevailing in the Transvaal, with regard to the dynamite monopoly, do not look so favourable as they had reason to believe. Now, it shows you what a great factor your Transvaal business plays in the whole Nobel Dynamite Trust ring.—You cannot make me responsible.

Oh, no. It is only an interesting article. I would not go so far as to make you responsible for articles that appear in European papers. I only want to show what an enormous factor the industry here plays in your business.—You put such a lot of importance on all these articles.

Well, if such a reason is given for reducing the dividend by 1 per cent., though the profits have not been reduced, it shows that the position is a little more shaky, if

I may use that word.—Because it suits you, therefore you believe in it. If there had been an article quite to the contrary you would not have brought it.

I have not written that article, Mr. Phillip.—No; but you have read it.

Mr. *Schmitz-Dumont.*

The price of dynamite and railway rates.

You say you would be very glad to reduce the price, in case the railway tariff is lowered, and thereby lower wages, cost of living, etc.?—Yes.

I think it would be of very great value to the Commission to know to what extent you could reduce it. In order to arrive at that, we must have an insight into the working expenses of the manufactory. It is as well to point out that, before we condemn a factory like this, and confiscate £600,000, the Commission must investigate whether there is a future before the factory—to deliver dynamite cheaper in the future. To do this it will be necessary for the Commission to learn something about the working expenses?—Certainly, you can do so. I have not got the data here, but I can get them for you. May I make a remark on Mr. Brakhan's statement about detonators. I have got the figures for 1896. I think I understood Mr. Brakhan to say that if detonators were imported in free trade, the mining industry could save £72,000 per year. I can make out for 1896 the mining industry in the whole republic have drawn the supply of detonators from us, amounting to a sum of £7,368. I do not see, even putting the figures at £10,000 for argument's sake, where the mining industry could save £72,000.

Future price of the dynamite factory.

Detonators.

Mr. *Brakhan.*

Those were figures I compiled, so I will look into the matter.

Mr. *Smit.*

Mr. Phillip and the European prices of dynamite.

Since Mr. Vorstman has been to Europe, has any material been ordered or received here?—I left in April, and am only here about a month. Since then there has been only one shipment received.

Who received it?—It has arrived at Port Elizabeth recently, and there is another ship on the way out.

It has not yet been delivered here?—Partly.

Who received it?—It was sent to the factory.

Who received the invoices for the load?—They were addressed to Mr. Vorstman and when he is away the company opens them.

Do they call the directors together to open the letters, or does Mr. Vorstman's representative open them?—The representative.

And that is you?—Yes, I open the letters.

And yet you don't know the price of the stuff?—It did not take my attention.

Chairman.

Visit of the Industrial Commission to the dynamite factory.

You have failed to put us in possession of several details, and you have invited the Commission to pay a visit to the factory. We will discuss that, and the Commission will reply to the invitation later on. There are some points remaining, in which we must have information, and which we should get from you. This we will take into consideration, to consider which will be the best way in order to get information. I thank you for your evidence.

Mr. W. H. Hall's evidence.

MR. WILLIAM HALL was called. In reply to a question, he said:

Nature of statement.

I am a civil engineer, residing in San Francisco, California, and have prepared a statement relating more especially to the water supply of the mines, the labour pro-

blem as arisen here, and to the general advancement of the agriculture of this country, as tending to make living cheaper, and mining cheaper. I have nothing to say on the subject of dynamite or railway transportation, for these have been exhaustively dealt with. I must first apologise to the Commission for making this statement in English only, as I did not know what was required. I have put it in the hands of a translator to-day, and will remedy that omission as soon as possible. I suppose the Commission's time is limited, and I will therefore wait, if the Commission desires, and read only the opening and closing paragraphs, and then I will attend the Commission, whenever wanted, for cross-examination.

Chairman.

As you say, the Commission's time is limited. You have handed this in as your sworn declaration, but I will expect your Dutch translation all the same. When the Commission think it necessary for you to come to answer questions the time will be fixed.

Mr. Hall's statement was as follows:—

Gentlemen,—Complying with your invitation to me, addressed under date of the 15th May, I submit this memorandum of my views concerning the condition of the gold mining industry in this State, together with some remarks and suggestions as to the Governmental problem springing therefrom, and which you are to report upon. I approach the subject in the same sympathetic spirit for both Government and industry, which your honourable Chairman, speaking for yourselves, representing the Government, expressed for the industry in his opening statement; and I accept, as my limitation, the declaration of one of your members, made on the same occasion—that you "desired the widest evidence" you "could possibly get with regard to the subject" of your enquiry.

In deference to your requirement of those who have thus far given evidence before you, I first record some facts as to my experience which may entitle my statement to your attention. I occupied for 10 years the office of State Engineer of the State of California, United States of America, and, subsequently, was supervising engineer in the United States Geological Survey for several years, and, in these capacities, was charged with duties relating to mining and agricultural industries over a very wide area of country, and thus have had favourable opportunity for insight upon those economic questions which have sprung out of agricultural and mining developments and railway transport practice in the United States of America.

Mr. Hall's engineering experience.

I have no interests whatever in the South African Republic, and do not expect to have. My mission here is absolutely disassociated with all industrial controversy or class grievance. I came under engagement to examine and report upon matters of water supply for deep-level mining of the future, should the industry be permitted to expand. I soon go away, probably not to return, except, it may be, for another equally brief business trip. The professional work I have undertaken has brought squarely before me this question: what is to be the extent of mining on the Rand, for much of which I am asked to plan a water supplying system? And with this has come the corellative question: what population immediately dependent upon mining will have to be provided for in water supply estimates?

Possibilities of mining developments on Rand.

As the firms and companies to whom I am to report, control or represent the ownership of about seven-eighths of the deep-level mining ground and half of the outcrop mining area, within the central 15 miles of the Witwatersrand Goldfields, besides much other mining property lying east and west of this focus of mining activity and prospects, it may be seen that I have had to look broadly at the future

possibilities of mining developments. You will hence appreciate the fact that my study has, incidentally, been of some matters which enter into the problem now before yourselves. I propose, later in this paper, giving you some results incidental to this study. The general fact is thus mentioned at the opening of my statement by way of showing, I hope, that though a comparatively recent comer to the Rand, I have been thrown into practical contact with the industrial question of the day, and may thus be qualified, as well by some special local knowledge as by previous experience, to speak earnestly on the subject.

It only remains to be added that I have been entirely free and unhampered, by suggestion even, in my examinations; that my work has been done and judgment formed, without the slightest idea of presenting any of its results or incidental thoughts to your Commission or your Government; and that I now do so, on your invitation, without the knowledge even of those for whom I am professionally engaged, and so far as I know, to the knowledge of several personal friends only.

A problem of national economics.

The problem before you seems to me to be one of national economics, and not one merely of class grievance. Every rapidly advancing country has had frequently, to remodel its fiscal system and administrative laws, not only to meet the requirements of its growing Government, but to satisfy the strenuous demands and imperative necessities of its expanding or languishing industries. The present case in the South African Republic is not exceptional in the mere fact of clamorous demand for reform and abolition of industrial burdens. It is singular only as to the form in which it has appeared, and in that it has become so acute as to cut its way into international politics.

If the local mining industry were in the hands of burghers of the South African Republic, the clamour for relief would be regarded as merely an internal industrial agitation, paralleled by industrial upheavals in other countries, though possibly not equalled by them. In other words, there exists here a great governmental problem outside of any particular complication made by the presence of a more or less troublesome *uitlander* population. This problem is primarily a fiscal one—the problem of how to derive a sufficient governmental income, not only without strangling the industries on which it rests, but so as to permit those industries to expand. But, immediately this question is considered, it leads into politics—not partly politics; not Uitlander *vs.* Boer politics, but social politics, in that it is a question of people—of labour.

A problem of social politics: its solution.

You may expropriate the railways, and operate them at the most reasonable rates which will return a fair interest for a government to receive for the use of a public work; you may throw the dynamite business open to competition and admit the article from the outside world free of duty; you may reduce annual burdens on productive industry by reducing Governmental expenditures in some directions; and you may still further lighten present burdens on industry by raising money for really necessary permanent public works by issue of long term debentures. By the last two steps you may be enabled to very materially reduce Customs tariffs on articles necessary to development of the staple industry, and for the use of those who live upon wages and moderate salaries; and you may do other things which will make living here comfortable, safe and comparatively inexpensive to the burgher, miner, worker, and the merchant.

Reduction of import duties.

Maintenance of State revenue. Compensation for reduction of State revenue through reliefs requested.

All these can be done while still providing sufficient revenue for your Government. They will stimulate the gold industry, it will expand, more money will come into the country, a far greater demand for labour will ensue, and then will come the acute stage of the labour problem, which is present in a mild form to-day. If you start on the right principle with that problem now, you will be able to handle it later

If you take the wrong course with it now, it will be very much more difficult to ndle then. This problem is altogether aside from any complication as between ur Government and any other, or as between your people and any other nationality. The labour problem.

There is not only gold in these reefs in immense quantities, which nature put ere, but, what is more, there are tens on tens of millions sterling in and on these lds, which men have put there. The problem is to get it out, and it requires a vast my of labour to do so. Where labour abnormally congregates, formidable political estions arise, whether that labour be black or white, free or slave. This is the eater part of the question before you—the labour part. It will bear more discus- on than all the rest put together. It is the problem of life on the goldfields, which the problem of revenue for your Government, and of return of capital invested, and be invested, here. Value of Witwatersrand reefs and fields. Nature of labour problem.

The very first result of the existence of your Commission, and following close on the publication of evidence taken before it, will be the discussion of this pro- em—your problem—on its merits, all over the civilised world. Those peoples who e interested financially here, will, of course, be most concerned; but, now that the cts have been made authoritatively available, strong thinkers everywhere will take the topic. The day of outside discussion of Transvaal affairs from the standpoint prejudice only, if there has been such a day, will now rapidly pass away, and, derstandingly, the intelligent world will await the result of the internal handling the problem you are to report upon.

The crucial question here is one of *cost* of mining. Capitalisation, too great or o small, has nothing to do with it. The problem is to get the gold out of the ound at the least possible cost. Your Government is more interested in effecting e desired result than any other party concerned. The cheaper mining is made here, e greater may be the Government revenue, from the people engaged in it, without pressing the industry. Make the cost of mining such that three times the popula- on will be thereby justified on the Rand, and the proper basis for Governmental venue has immediately been trebled. The Government's dividend, so to speak, mes first, the shareholders' afterwards. Working costs of mines. Working costs of mines and the State revenue.

That it is desirable to stop wild speculation in good shares and wild promotion bad schemes, is perfectly true; but such wild speculation and promotion have not, d do not, keep, 23s. ores from paying the cost of working them on the Rand, and ve not produced the present depression. Disappointment in genuine enterprise is e cause of this trouble, and this disappointment has been brought about by unanti- pated burdens now resting on gold production, and by some other causes which have en brought to your notice in statements already before you. A company may have en capitalised for ten times its proper value, but the cost of mining its property, r *se*, is not made a whit greater thereby. Dividends will, of course, be a less per nt. on nominal values, but costs of production are not affected. Reasons for the present depression. Over-capitalisation.

For the purpose of judgment as to what should be the cost of winning the gold om the reefs of the Rand, the natural conditions and circumstances under which this ining is prosecuted may well be compared with those surrounding and affecting the st of working auriferous lodes, veins, or ledges in the Rocky Mountains and Pacific ope States of America. The methods of mining and reducing the banket ores here e practically the same as those followed in American quartz-mining. Comparative working conditions of Witwatersrand mines, and American mines in Rocky Mountains and in Pacific Slope States.

Having made such comparisons, from my own personal knowledge I have no sitation in saying that the conditions—so far as nature has made them—under hich the industry is here developing, viewing the Witwatersrand fields as a whole, e decidedly more favourable than those present, and affecting the cost of similar ining, as a general thing, in America.

There are, of course, exceptions; I state this as a predominating, not the unvarying, rule. Not only is gold easier to get out of the ground here, but man should be able to live as cheaply, in as healthful and vigorous a condition, and as contentedly, here as in the American mining districts spoken of. The unavoidable conclusion is that this gold should be obtained at less cost, and if it is not so obtained, the reason is to be found in the shortcomings of man, not the obduracy or unkindness of nature. As a matter of fact, it costs from 20 to 25 per cent. more to win the gold of the Witwatersrand reefs than it does to gain that of the quartz lodes of American fields, in cases where circumstances justify direct comparison.

Comparative working costs of Witwatersrand mines and of quartz lodes of American fields.

I do not mean to say it is in the power of man to at once bring about such changes here as would reduce the cost of this mining to its legitimate minimum, nor do I imply that any men are yet to blame for the full extent of the difference between the cost as it is and the cost as it might be. But I do mean to say that men alone will be to blame if, within a very few years, this cost is not brought to near its lowest possibility, in the present state of human knowledge. Moreover, the way is clear for very material reducing of costs at once, and very much blame will find its legitimate resting-place, in the judgment of the world, should this initial reduction be not made, and thereafter promptly followed by such other ameliorations as will bring the cost of Rand mining to where it should be.

Reduction of working costs on Rand possible.

To make altogether clear, and I hope convincing, that which I have said in a general way above, I ask your attention to several points. On the Rand, as a rule, there is very little water to contend with in mining, and the cost of pumping or otherwise raising water out of the shafts is, by comparison, an insignificant item of the cost of gaining the ores. Data, which have been collected under my direction, for the 15 miles of Central Rand especially, show that, as a rule:—1, The outcrop ground yields an average of about 50,000 gallons per shaft per day—the range of amount being from 10,000 to 90,000 gallons, and there being three or four exceptional cases where the amount runs materially higher; 2, that the first row of deep-levels, as a rule, yields an average of about 45,000 gallons per shaft per day—the range of amount being from 8,000 to 80,000 gallons, and there being two or three cases of very material higher water output; 3, that the second row of deep levels, with one exception, yields from 2,500 to 5,000 gallons per shaft per day only. There is an annual variation in amount of water yield, due to alternation of rainy and dry seasons; and cases where decidedly larger flows, by comparison, exist, are of short life—the amounts soon drop away to parity with other shafts in the range. These amounts of water, leaving aside the few exceptional cases, which in a short time will probably run down to the normal, are all small.

Dryness of mines on Rand:

in outcrop mines

in deep levels, first row.

in deep levels, second row.

Most of the mine managers and engineers here think that, by comparison with their experience elsewhere, they have no water in their shafts at all, and my own observation confirms this view. In American lode or vein mining the rule is the other way. The pumping plant is almost always a prominent item of initial cost. The volumes of water encountered are seldom insignificant, as here. The cost of operation and maintenance of the pumps is a material and notable item in the cost of gaining the ores.

Water in American lode mines

On the Rand, the "ground" or rock over stopes and drives, as a rule, stands safely without timbering—blocking up with waste rock being found all sufficient to prevent subsidence or dropping masses. In this, also, nature has peculiarly favoured the Witwatersrand miner, and those who are familiar with mine workings in America cannot but be struck by this fact in going underground along the reefs in Johannesburg. For in American lode or vein mining, it frequently happens that the workings

Comparative timbering in Rand and American mines.

come vast labyrinths of heavy timbers, necessarily used to support the overhead, :reeping" ground, or to prevent rock masses from falling.

As a rule, in American mining for gold, mine timbering is a heavy item of pense. Huge piles of immense logs from 1 to 2½ feet in diameter, and covering an re or more of land, are collected alongside of mine openings, and are dropped ıderground for the purpose stated. These logs are frequently hauled on wagons ɔm points half a day's journey away, for the country is often so extremely rugged d precipitous that the cost of railway construction from the mine to the timber belt prohibitive. The Rand miner is spared this logging and timbering expense, by mparison, almost entirely.

On the Rand the banket ore and the rocks which enclose it, are, as a rule, more sily drilled than the gold bearing quartz veins and their enclosing rocks in American ɔrkings. Less labour and less steel should accomplish equal results here. Although e Rand advantage in this respect is doubtless less marked and material than on the ints of mine water and timbering, it is an advantage which should tell in costs.

Easy working ores on Rand. Comparative hardness of American ores.

On the Rand there is practically no local heat in the rocks. In a matter of nperature a Rand mine should be, and generally is, an ideal place for underground rd labour, and artificial ventilation is not an item of cost. In American mining derground temperature is not infrequently a consideration not to be overlooked, d artificial ventilation of mines often constitutes a material class of running costs.

Absence of ground heat in mines on Rand. Heat in American mines.

Here, then, I have enumerated four points incident to underground mining nditions proper, wherein the Rand miner has material advantage over his *confrère* America. If we consider conditions not incident to the gold mine itself, we find at the Witwatersrand miner is even yet peculiarly favoured. Within 23 miles of e very *centre* of Rand mining operations, within five miles of some of its extensive ɔrkings—and a practically level country intervening—lie vast beds of fairly good al, as easily worked as almost any in the world.

Cheapness of fuel on Rand.

This coal is actually so abundant, and so easily won that, under any possible gree of gold mining expansion and consequent coal demand on the Rand, yet ought wer here to be cheap—very cheap. I have personally inspected some of these al beds and mines, and I am familiar with the working of the coalmining industry. ıe conditions here are such that these gold mines ought to have as cheap fuel as nost any ore mines in the world. For American gold mining, fuel is often brought ndreds of miles by rail, and, over portions, at least, of such distances, climbing heavy adients and rounding obstructive curvatures of track alignment. Or, in other cases, isting, milling, pumping and other machinery is driven by the burning of wood as :am-making fuel, and this wood is hauled by wagons over steep and rough mountain ıds, from points further from the mines than the coal output is from the centre of e gold industry on the Johannesburg Rand.

Comparative expense of fuel on American mines.

As in the case of mine timber hauling, the cost of railway construction to meet is fuel transport demand is often prohibitive in America, so that hauling has often be done by wagon. There are, of course, exceptions to the rule I have stated for nerican workings. Some few mines are fairly well situated with respect to fuel pply, but no gold mines are nearly so well favoured as those of this Johannesburg ıge. Some American mines, too, are operated with power derived from water essure, obtained at more or less, but often immense, outlay of capital in bringing ıter, by means of canals, ditches or pipes, to advantageous points for the mine ɔply; and operative power is delivered at still other mines by electric currents ıducted from points where cheap water power generates it. But, as a general thing, nerican ore mining is prosecuted by the use of power generated as steam on the ɔt of application, and by consumption of fuel brought from afar.

In this respect the American cases would be paralleled on the Rand if the coal had to be brought from over the Drakensberg Range in Natal, from some point in Portuguese territory, or even from Rhodesia, were there rail communication from Buluwayo to this point.

Climate of Rand.

Comparison of climate on Rand and American gold fields.

Again, the climate on the Rand is an ideal one for mining industry—never very cold nor excessively hot, and free from snowfall. There are very material items of cost from which the Rand miner is exempt, but which the American miner is obliged to meet. There are no heavy snows to shovel off from about the Rand surface works; there are such snows about many American mine openings, and for several months in some years. The Rand miner does not have to lay in a great stock of fuel for winter use; he can get it as well one time as another throughout the year; but the American miner not infrequently has to lay in a four or five months' fuel stock, and sometimes he has to house it to make it available for handling under heavy snows.

The mine worker on the Rand does not have to burn much fuel to warm his home in winter. With the American mine workman this fuel item is often a very material element of living expense. This Rand climate is at times invigorating without being rigorous is at other times relaxing without being enervating, and is always favourable to vigorous exertion.

Sanitary condition of Rand.

Men should live here as healthfully as in almost any American mining region, and decidedly more so than in many of them. There is typhoid fever here for nearly half the year, but that is man's fault, not nature's, and is almost wholly preventible by man. There is pneumonia here for much of the other half year, but that also is largely man's fault, and is in no small degree preventible.

Proper sanitation in matters of sewerage, water supply, and municipal and premises cleanliness, and proper supply of water in, and health regulation about, the mines, will prevent typhoid fever; and, with such street and road improvement and maintenance as would keep down the poisonous, irritating dusts of winter, that class of colds which result in pneumonia here would be much less frequent. At its worst, though, pneumonia is not as prevalent here as it is every winter in the famed Cripple-Creek mining region of America, or as it has been, and is, at Bodie and other districts of that country; and there it is due to the extreme cutting cold, which man cannot ameliorate.

Native labour supply.

While the white man should be able to live here in health and vigour, and be an efficient worker, on a wage comparable to that which he receives for a like service elsewhere, nature has provided in adjacent parts of South Africa a vast and reserve labour crop in the native negro population. If more highly civilised man does not reap on the goldfields a full benefit from this provision of nature, while at the same time benefiting the kaffir, it is the white man's fault. American mining enterprise has the benefit of no such bountiful labour supply, which, by all rules of reason, should be cheap, and in the exercise of good judgment, should be made efficient as well.

Natural advantages of Rand.

I have now called your attention to four marked advantages—the small amount of ground water, freedom from heavy timbering costs, tractability of ores, and freedom from oppressive ground heat—which the mining field itself affords here; and I have also presented three points wherein nature seemingly has intended to favour mining industry on the Rand—namely, an abundant fuel supply close at hand, an abundant labour supply at no great distance, and a good working climate.

Agriculture.

There is one other point worthy of note in this connection. The climate and soils of the Transvaal are favourable to agriculture, and the cost of living ought to be, at most, moderate on the Witwatersrand fields to those who are content to live, or by their earnings do live, on ordinary plain food, such as the country should produce.

By comparison with the American miner, the Witwatersrand worker should be le to live as well and as cheaply, and would be able to do so, were the agricultural ources of this country brought to the stage of development they might be. I know ere are peculiar drawbacks here, and special ones recently or at the present time— usts and the rinderpest. But the American pioneer agriculturist has had, and has, urges to contend with also, and very often in the neighbourhood of mining regions has not nearly such favourable conditions to work under as the Transvaal presents.

Cost of living for miners in America and on the Witwatersrand.

The development of the Transvaal goldfields can never reach the stage which in human reason it should reach, until the agriculture of the Transvaal is measurably vanced beyond where it is to-day. I do not say this lightly or with intent to disrage the farmers or people of the Transvaal, and certainly not with the intent to ittle the praiseworthy result which they have brought about in making a civilised ntry out of a most savage and barbarous one within the span of one generation's . But it is a material point in the economic problem which the present condition the mining industry has brought to your doors—that the cost of mining is largely at the cost of living makes it, and the cost of living is in the greatest degree pendent upon local agricultural production.

The mining industry and agriculture.

The miner has brought into your country the most perfect mining machinery and pliances, the most refined methods of work, and some of the best trained and perienced experts on earth, and he has by these means brought his industry from crudest to the most advanced stage, within little more than half a decade. Has local agriculturist kept pace with him? For, mark you, they must go abreast the best results.

If it were not for the exceptional perfection of mining and reduction machinery l plant, if it were not for perfection of method and process, in the present state of man knowledge which have been brought to your doors, and if it were not that ny of the best men in various departments of mining work have been called from er countries to the advantage of the Witwatersrand, there would not be a dozen rking mines upon it to-day, and there would be no prospect of increase in the mber.

By these means has the miner attained a certain success, which has made a rket for the produce of the farmer. Has the farmer, meanwhile, brought his thods to a comparable degree of perfection, enabling him to supply the miner at rest profitable price, so that he may make still other mines pay for their joint efit and the advancement of the country?

I am professionally and practically familiar with the agricultural resources and rkings of vast American regions adjacent to or supplying mining districts. I have ked into this matter in the Transvaal, and I regret to say that for myself I answer last above query in the negative.

Agriculture.

The Transvaal agriculture is crude, its methods are wasteful, the farming results poor, and the market price of produce is excessively high. How is it possible, der such conditions, to bring the cost of mining on the Rand down to what it should ? The point is a vital one in the economic problem before you, if it is to be treated er than in the most superficial manner. At least, it should be considered, when a l is made by those representing the farmer on the miner, to still more perfect his thods, to yet further improve his machinery and to cut down the salaries of those o have virtually made these mines and the past prosperity, or else, as an alterna- e, not ask for relief from your Government.

It is no purpose of mine to invidiously reflect on the farmers of the Transvaal. ould have no possible object in so doing; and to criticise them unjustly or un-

necessarily would be repugnant to me. I have found much to admire in them. But this is a case wherein the truth should be pressed home to the minds of all.

The mining industry and agriculture.

You cannot have the best development of the mining industry here in the midst of a woefully backward agricultural development, except you make such free and open communication with, and cheap transport from, the outside world as will enable it to supply the wants of these mining people almost as cheaply as they could be supplied by home-raised produce under good agricultural practice.

Causes of grievances on Rand

You cannot expect the mining industry to pluck the mote out of its industrial eye until your farming population removes some, at least, of the beam in its industrial eye, except your Government, representing your people, come to the rescue. It is just this state of things which has made the trouble on the Rand. The deficiencies caused by these conditions, under the circumstances, it is the province of the Government to fill. It is for this reason there are and have been "grievances" here; and it is for the same reason that they will continue until very substantial relief is granted, and the cost of living is brought to a reasonable figure.

The mining industry and the Government.

Conditions are such here that the mining industry cannot work out its own salvation; and, just as it would be asking too much of the Transvaal farmers to immediately change their methods, as a whole, and at once step into the first rank of agricultural economists—bringing living expenses down to old country rates—so is it asking too much of the mining industry to try to go materially further in reducing its running costs until it has had such relief as the Government, representing the exceedingly backward agricultural industry, can grant.

Cost of living an index to wages

The cost of living must ever be a fair index of the wage to be paid, in order that the workman remain contented in whatever capacity he may be serving. Those who labour only with their hands receive but small margins over living rates, while those who have some specially valuable professional or managerial ability demand and get wide margins. Nevertheless, living expense is an index to the wage or salary in each grade of service, separately, for each locality.

Comparative cost of living for miners, mine officials, and engineers, on the Rand and in California.

Being familiar with wage rates and salaries and the cost of living in some of the mining regions and towns and cities of the Pacific Slope States of America, I have enquired into the subject here, with this result (I give you comparisons in percentages, and not actual rates, because I can thus more briefly convey the lesson which the figures would show):—

The ordinary miner, single, and living at a boarding house, pays 13 to 17 per cent. more here for his board and bunk and other necessaries of life than at California mines. If he is married and attempts to keep house, his expenses will be 22 to 27 per cent. greater here to support himself and family than in Californian mining districts. In the case of the mechanic, receiving better wages and desiring better food and accommodation generally, I place the differences at 18 to 25 per cent. if single, and 28 to 32 per cent. if married.

And so on, as we mount the scale of wage and salary earners, the cost of living here, as compared to California mining towns and cities, increases alarmingly, until when we reach the highest paid consulting engineers, general managers, and managing directors, I am satisfied that it costs them from 150 to 200 per cent.—from two to three times as much as it would cost to live in the same style in the city of San Francisco, California.

Take a few items of which I know. House rents are from two to four times greater here than in San Francisco, or in any mining district in California. Water costs four to 10 times as much as in San Francisco and Californian mining regions. (I have compared the rates per volume supplied, and also a number of monthly water bills here, with my knowledge of what similar service would be rendered for in San

Francisco, or in any mining region in California, where there is an independent company selling water). To keep a stable of two to six horses, costs three to four times as much in Johannesburg as in San Francisco, or as it would in any mining district in California.

I might enumerate other items of expense which make drafts on the salary and wage-earner's purse—all showing costs ranging at 50 to 200 per cent. higher here than in American mining districts and neighbouring cities, but the above are enough to illustrate the point I seek to make.

The following table shows in a general way the result of my enquiry. The figures do not, of course, purport to accurately represent the facts, but I venture to say that if a detailed enquiry were made on the subject its results would not much differ from my illustration.

TABLE SHOWING APPROXIMATELY, THE PERCENTAGES OF HIGHER COST OF LIVING ON THE RAND AS COMPARED TO LIVING COSTS IN PACIFIC COAST MINING DISTRICTS AND CITIES:—

AMERICA.

Class of Employment, graded from Least to Greatest Pay.	Percentage of Excess of Cost of Living on the Rand over Costs in American Mining Camps and Cities. Single Man.	Man with Family.
Miner	13 to 17	22 to 27
Mechanic	18 „ 23	28 „ 32
Foreman	25 „ 30	35 „ 40
Captain	30 „ 35	45 „ 50
Clerks	40 „ 45	55 „ 60
Surveyor	—	60 „ 70
Accountants	—	80 „ 90
Managers and engineers	—	100 „ 120
General managers and consulting engineers	—	150 „ 200

Percentages of excess of cost of living on Rand over cost of living in American mining camps and cities.

Two points are prominently apparent from this tabulation:—(1) The comparative excess in cost of living on the Rand falls more heavily on the employees of the higher than the lower grades; (2) The percentage of excess is far greater for married men with families attempting to keep house, than for single men living at boarding houses or in rooms.

Comparative greater cost of living of higher than lower grade employees.

Comparative higher cost of living of married than unmarried miners.

I submit that this exhibit strikingly illustrates the reason for the point made by Mr. Goldmann in evidence before you, as to the remarkably small proportionate part of mine white employees on the Rand who are married, and the still more remarkably small number who have their wives and families here with them.

But, if the results of my enquiry are near the truth, the above exhibit illustrates another point, namely, a greater proportion of the highly-paid employees having families resident here with them, than of those of lower pay. Those of higher pay, as a class, unless their salaries are proportionately very much in advance of those of lower, are the greatest suffers financially by the burdens of Transvaal living costs. And this I believe to be the case.

I turn to the rates of pay for the employees of various grades on the Rand, as put in evidence by several witnesses—commencing with the cheapest white miner at £14 per month, and advancing through the roll to mine managers at £1,500 to £3,000 per year—and I find that, whereas the wages of the lowest grades of white mine employees are 15 to 30 per cent. higher here than in the older and more settled mine regions in Western America, the employees of highest grades, up to the managers and engineers,

Comparative salaries and wages on Rand and in Western America of higher grade and lower grade mine employees.

necessarily would be repugnant to me. I have found much to admire in them. But this is a case wherein the truth should be pressed home to the minds of all.

The mining industry and agriculture.

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receive salaries not more than the same 15 to 30 per cent. higher than they would command in the same American mine centres for like services.

If we compare these latter percentages, as to wages and salaries, with those of the illustration just given you, as to relative cost of living, and remember the rule—that cost of living must be an index of the wage—we find that it is not the higher paid white employees on the Rand who are reaping the harvest, if one is being garnered at present rates. I take up the more direct application of the foregoing to the problem which you have in hand.

Average working costs of mines on Rand

You have in evidence, so far as I have observed, the cost of mining and reduction of ores on the Rand, varying from about 24s. to about 29s. per ton milled. I have collected some data, which show a higher range, namely, up to 32s. per ton; and the result of my enquiry is rather to the point that there is more ore mined and reduced on the Rand at costs over 29s., than under that figure. Next, it appears that the proportionate part due to white labour, of the total cost, ranges from 28 to 35 per cent. And, again, I assume, upon the basis of my own enquiry and comparisons, that the average cost of living of all white mine employees is 25 to 35 per cent. greater here than in the American mining countries spoken of.

Possible reduction of working costs through reductions of cost of living.

If, upon these rates and ratios, we estimate how far wages might, without affecting the employees' profits, be cut down, and how much cost of production would thus be lowered, if the cost of living here were reduced to the American standard, and the wages proportionately lowered, we would have a result somewhat as follows:—Cost of mining and reduction, 24s. to 32s.; part due to labour, say 32 per cent., 7·68-10·24s. part due to excess cost of living; if rates here are 35 per cent. higher, 2·69-3·58s.; if rates here are 30 per cent. higher, 2·30-3·07s.; if rates here are 25 per cent. higher, 1·92-2·56s. From this it appears that the difference in cost of living here, as compared to American mining regions, may account for between, say 2s. as a minimum, and 3·58s. as a maximum; that is, if cost of living for the white man were reduced here to what might be considered a reasonable basis, all wages and salaries could be cut, without diminishing the workers' profits, so as to reduce the cost of producing the gold from 2s. to 3·58s.

This reasoning is based, you will observe, upon the assumption that the cost of living, at the mean of the wage scale, is a correct index of the fair average wage rate

If, now, we consider the application of this conclusion to the present wage rate, we have an interesting result, and that is, that the higher cost of white labour of all kinds, engaged in mining and for the mining companies, is accounted for, or somewhat more than accounted for, by the difference in the cost of the necessaries, and the amounts of expenditure, of life.

And, now, I come to a matter as to which I speak with confidence, because of personal experience in the management of labour, both skilled and unskilled, and of a wide opportunity to observe and hear the results of different systems of handling labour. This is the bonus system of rewarding extra exertion on the part of miners. There appears to be here a leaning towards an opinion that the system is unfair and extravagant. I desire to testify, not only to its equability and economy, but to its wisdom for other reasons, and to illustrate my testimony by some facts I have collected here, and by results of experience elsewhere. At the outset I desire to explain that I use the words "bonus system" as expressive of all forms of graded payment, whereunder a premium is set upon extra exertion, as evidenced by excess of results over the normal, due to simple day-wage results. In this category would come the graded-rate contract system, as well as the bonus system proper.

Bonus system.

The bonus system in America.

The higher grade American contractors on heavy engineering constructions, as well as managers of great manufacturing works, have long recognised the justice of

he underlying principle and the value to them of its application in management of heir labour forces. Special rewards, extra pay, advances of rates of pay, made 'oluntarily to those men who prove specially active on arduous and dangerous duty, ed to the more orderly bonus system, which is quite common in some branches of ngineering construction, and in great iron and steel working establishments, to my wn personal knowledge. Certainly, high-grade contractors and managers whose vork is systematised, and the costs and relative costs known to a penny, would not dopt a system which did not pay them. If it would pay a contractor to follow that ystem in driving great tunnels, as I know from experience it does, it would pay him o adopt it in sinking a shaft. And if it would pay him to adopt it in shaft work, it hould equally pay a mining company to do the same. That it does pay here you ave had illustrated to you in the testimony of Mr. Catlin.

I endeavour to give some further illustration of its advantages, not alone on ccount of the direct benefits to be derived from the working of the system itself, but ecause there are very important correlative benefits which have not been brought to our notice, and because it embodies a principle whose application is indispensable to he solving of your entire labour problem—the great problem for the Rand and for he South African Republic. Bonus system beneficial.

The mining industry has appealed to Government for relief of burdens. Representatives of Government say that there is a desire on the part of Government to oster the industry: It only wants to see its way clear to that end. And they ask vhat the industry proposes to do to help itself. Members of the industry's staff point ut that one way is to extend the bonus system. Whereupon, there are those in rominent positions who imply or say, that the system, so far from being economical, s extravagant. To entertain this latter assertion, to adopt its idea, would be a fatal nistake for your Commission to fall into, for the reason above given.

I therefore ask your indulgence to present the matter somewhat more fully than Mr. Catlin could do, owing to his being on the eve of going away on vacation, when e appeared before you. First: Completing Mr. Catlin's figures as to the Catlin haft. Passing over the first two or three months, when the work was not yet unning regularly, there came two months, whose average rate was 60 feet per month, t a cost of £21 15s. 8d. per foot. Then the next five months, during which work vas regular, the mean monthly progress was 128·3 feet, at an average cost of £19 5s. 6d. per foot. Now, it is well-known that such shafts had never before been unk by the ungraded day-wage system, at a faster rate than 80 feet per month, or a ower cost than about £24 per foot. The far better result attained in the Catlin shaft —running the cost down in one month as low as £18 6s. and, in another month, the ate of speed up to 142 feet—is due to the incentive of the premium on extra xertion. It does seem that there can be no disputing the lesson taught by such igures. Bonus system and the Catlin shaft.

I ask your attention to a business simile pointing this lesson. If a mercantile ouse makes a shipment of goods over a long voyage route, its manager considers irst, cost, interest, insurance, meeting of demand, and profit. A question with him is s to whether he will order shipment by sailing vessel or by steamship, which will ake less than half the time, but whose freight rates are greater. The world's exerience shows that it pays the merchant to employ the quicker mode of transit at the igher freighting cost. The story is told by figures of the capital account in his ooks. An exactly similar story, only with far more favourable results, would be told y the capital account of a mining company engaged in sinking or developing work, vere the books kept so that the point might be brought out, and if the bonus ystem were operated as the fast-rate steamship line against the one-grade-wage Economy of bonus system.

system representing the comparatively slow line of sailing packets. Sinking a deep-level shaft is, in this way, an exact counterpart of freighting over a long voyage. I attempt to illustrate upon a basis of the experience on the Rand.

ɔthetical mparative t of three ep-level afts of Simmer and Jack ast, on time ıge and bonus system respectively.

The Simmer and Jack East Company has a working capital of £186,000 subscribed for the purpose of putting down to the reefs three shafts, with probable depths estimated at 2,400, 2,500, and 2,700 ft. As these are nearly the same, we may say that £62,000, one-third of the above total working capital for them, may be charged against each in capital account, and against that amount interest at, we will say, 6 per cent. should be charged in such account. If, now, the shafts are put down at the rate of 60 ft. per month, it will take 40, 41⅔, and 45 months respectively to sink them, and the amounts of interest which the capital account will show against the cost for each will be £12,400, £12,916, and £13,950 respectively. Adding these amounts to the principal in each case, the shafts will have cost the shareholders who put up their money originally and waited for return, £74,400, £74,916, and £75,950 respectively. But if the shafts are driven at double the rate of speed (120 ft. per month) the work would be accomplished in half the time, and half the above amounts of interest would be saved to the shareholders, because the mine could be brought into paying condition with the saving of that amount of time to which that amount of interest on shaft working capital would be due.

Saving to capital account by bonus system.

In the above instance the saving to the Simmer and Jack East capital account, and to shareholders, would amount to £19,633—a very handsome amount, you must admit, to be saved by good management. That this is an actual saving, every business man who keeps a capital account, will testify. And, be it remembered, it is entirely aside from the saving in actual cost of the shafts themselves, due to the lower rate of cost per foot attained, with the higher rate of speed in driving. The high speed bonus system is thus seen to operate both ways.

Saving in working costs by bonus system.

I next note what the total saving might be by it in the above illustrative case. Sunk by day labour, unencouraged, and at the rate Mr. Catlin found it cost to sink similar shafts in the same neighbourhood—say, £24 per foot—the 7,600 feet aggregate footage in depth of these three shafts, would cost £182,400—a small margin, only, less than the working capital £186,000, provided for them. Sunk under the bonus system at, say, £20 per foot (which is nearly 10s. more than Mr. Catlin's least rate under it) the cost would be £152,000. The direct saving in money would be £30,400; which with the saving of £19,633 to the Company's capital account and the shareholders, makes £60,033, which amount is nearly 40 per cent. on the actual cost of the shafts, or 33 per cent. of the working capital provided for them.

Saving in *pro rata* net product of time gained by bonus system.

But this is not all; there would be a saving of 20 to 22½ months' time; and this time in the full development of the enterprise is worth money to the shareholders in other ways than in saving interest on the working capital provided for the shafts. For instance, to shareholders who hold their shares, say, for the 20 to 22½ months after the mine commences to produce, the saving of that length of time in the shaft sinking is worth their *pro rata* of all the net product in that time.

It may be said that I have calculated interest on a capital which is greater than is required for the shafts. And so it would, in such a case, prove to be, but the estimate of capital required for the shafts was based on previous experience and rates for work here. That it is possible to do the work for a less sum, and thereby save, not only the interest on the whole sum for a very material length of time, but also a good part of the capital itself, is due to the operation of the bonus system. For constructions, as uncertain in incidental difficulties as shaft sinking, a liberal margin of capital must be provided in the estimates.

Rapid shaft sinking.

The above case is a hypothetical one, and no deep-level shaft has been completel

sunk at as great an average rate of speed as 120 feet per month, with as low an average cost as £20 per foot. But experience thus far warrants my using these figures for the purpose of illustrating a principle. Mr. Catlin's best speed was even much higher, 142 feet per month; his average for five months was 128·3 feet, at a mean cost of £19 5s. 6d., as we have seen. The actual costs of, and rates in, the Simmer and Jack East shafts themselves show figures ranging from different groups of months, as follows:—

Cost of, and rates of speed in sinking of Simmer and Jack shafts.

Shaft Depth.	Mean depths of two months each. Feet.	Costs.			Total times at rates. Months.	Total costs at rates.	Total interest on costs.
2,400	90	£23	14	2	26¾	£56,900	£7,681
2,400	112	20	9	3	22	49,120	5,403
2,500	82	23	13	2	30	59,146	8,872
2,500	98	22	4	1	26	55,510	7,216
2,700	62	28	1	0	43	75,735	16,288
2,700	84	25	3	8	32	67,994	10,878

The figures which I use in this statement were made up by the resident secretary of the company, Mr. Roberts, and have been furnished to me by Mr. Webb, consulting engineer to the company, arranged at my suggestion, so as to illustrate the point I make, namely, that with increased speed comes decreased cost per foot, decreased time necessary to sink the shaft, decreased cost of the work as a whole, and, of course, proportionately less interest to be charged in the capital account. Examination of each couplet—one for each of the three shafts, separately—tells the story. The cases are fairly selected. The incentive of the bonus produced the favourable result in every case.

Economy of rapid shaft sinking in deep levels, particularly in Simmer and Jack Proprietary Mines' three deep level shafts.

I beg to submit another illustration of the economy to be attained by rapid sinking of deep-level shafts. The nominal capital of the Simmer and Jack Proprietary Mines, Limited, is £5,000,000. The shares have actually been taken by the public and the vendors at rates up to £7 10s., but to be entirely conservative, I adopt the nominal rate of £5, which produces the capitalisation above quoted. Now, the shareholders are waiting for returns on their investments; the outcrop part of the property is being worked, and paying, but three deep-level shafts are being sunk, upon the completion of which the opening of fully one-third of the property necessarily depends. When these are producing ore, it is expected that the monthly returns will be doubled. These shafts, to open one-third of the producing area of the property, properly represent one-third of the company's capital, or £1,666,667, which, running at 6 per cent. per year (not a high rate for mining capital), properly has charged against it £100,000 interest per year in the capital accounts of those who hold the shares. This is at the rate of £8,333 per month.

If the three shafts are driven at the rate of 80 feet per month each, the maximum attained without bonus rewards (or 240 feet total), the interest being consumed is £38. If they were driven at an average of 110 feet each month (a rate which it is believed could be maintained over considerable periods, or until some untoward circumstance, like a temporary inburst of water, should happen), the total footage per month would be 330 feet, and the interest running would be, say, £25 per foot. This more rapid rate of driving, hence, would save to the shareholders, in interest on their investments at par, £13 per foot of shaft, which is materially more than 50 per cent. of the cost of the work thus far done on these particular shafts, and is over 60 per cent. of the least cost per foot attained in them.

This is a conservative example, which may well find its counterpart in practice if matters in future run smoothly, and the bonus system is operated to best advantage. The data for this illustration were furnished me through Mr. Webb, consulting engineer to the company, by Mr. Watson, manager, who has made some even stronger deductions in the same line of argument, showing economy and advantage of the bonus system in shaft-sinking. I submit these figures as illustrating, locally, the advantages of a system, which I have proven in the construction of canals and driving of tunnels in other countries.

Bonus system cheaper than time wage system.

I now ask your attention to a point as to actual comparative costs. You may be told that some shaft or shafts, wherein labour was paid by the day, without the extra incentive of a bonus, have been put down at less rates per foot than those where the bonus system was adopted. Having enquired into this matter, I suggest that, before you hesitate to fully appreciate and accept the advantages of the bonus system and its underlying principle, you make enquiry: First—As to the comparative size and character of the shaft or shafts alleged to have been put down more cheaply; Second—As to the nature of the material through which sunk; Third—As to whether it was not an incline shaft sunk on a mine already operative, and from which drifts or levels were at the same time being driven either way on the reef.

You will see immediately that in the case of a company sinking deep-level shafts only, *all* the hoisting expense on surface work, and all the office, management, professional and other costs, have to be charged proportionately against each foot of shaft sunk. There is no other work being done to charge part of them to. But in the case of a shaft being dropped down the reef on an operative mine, all this is quite different. In the first place, there is charged to that shaft, or incline, only its proportionate part of all the general expense of the mine—the mine office, the Johannesburg office, and London office expense, the management, professional service; and such items as in their entirety went against the shaft or shafts alone in the deep-level instance, are in the operative outcrop mine instance, divided and charged against a number of faces being driven in developing the mine, and against the stoping for ore output through other inclines. Then, again, as soon as drives commence to be made from the new incline, the general expenses and hoisting costs are again distributed against the footage made on all these faces for each month.

Thus, I think you will find, on careful and complete enquiry, that there are no cases where nearly as cheap work has been done in shaft-sinking by day labour without the incentive of a bonus, as has been done under influence of rewards for extra exertion.

Objections to bonus system.

And now we have seen that the bonus system operates greatly to the shareholders' benefit, what are the objections to it? That it enables common miners to make very much higher wages than miners usually do or should; and that it has and may again enable a common miner to draw from a company as much money in a month as high-grade professional men can earn in like time. This is alleged to be extravagant waste of company money. In the face of the facts and deductions which have been shown you, this ground of objection is untenable.

The primary conclusion from the facts must be that the company saves money, and the shareholders make money under the operation of the bonus system. Notwithstanding the miner receives a higher wage, taking time and work done into consideration, the bonus system is the cheapest. Even if the cost per foot, or other unit of work, were as much under the bonus system as by the day wage, yet it would save the time and the interest and the mine profit due to the time, which are very handsome considerations for the shareholder.

But beyond this, even, there is the benefit to the entire force on a property, which reward of merit on fair competition among members of that force produces; and the bonus system, properly applied, is not only a money maker to the shareholder, but a reward of merit to the miner. Where labour is graded in classes by mere naming of trade, and all individuals in each class or trade are paid alike a standard wage for that class—as all carpenters, all miners, the same for each in each calling—there is absolutely no reward for industry, extra intelligence, or special skill.

It is nonsense to say: "If a man does not come up to the mark, discharge him." What mark is meant? Men in all callings are graded, as to result they will produce, from very bad, bad, indifferent, fairly good, good, better, best, and extra. What is the standard? The mediocre? That would be an injustice to all above, and when so graded in reward, the best men drop to that plane, while those below, being paid as much as any, have no incentive to do better than their ordinary inefficient doing.

The true way, therefore, is to grade men on the pay-roll according to their deserts—their industry, good faith, and skill. This makes active-brained, industrious men of them, and none but the stupid dolts or the incorrigible loafers will fail to be benefited by recognition of special merit in some members of their class. The result is the greater amount and better quality of work all round. If some men are chosen by reason of their ability or push, and are given a job where they may win a very substantial bonus, all the fairly good men in that force will strive to merit the same favour at the hands of the manager.

Principle of bonus system, a republican principle.

Moreover—and this is a point which I desire to bring specially to your attention—the principle of this bonus system is that which goes by the common name in America, and probably elsewhere, of "Let the best man win." That is the principle underlying the republican form of Government. It works as well in industrial matters as in national affairs, and no republic can long stand which resolutely turns its back upon it, either as applied to national affairs or to industrial affairs within its borders.

The very reverse of this principle is that which dictates the grading of men's wages simply by trade. One trade, one wage, results in classifications of men which breed discontent and uprisings, such as monarchical forms of Government can best cope with. The principle of this grading is an autocratic one, not a republican one.

I respectfully submit that, whatever action this Government takes with relation to mine labour matters, it should do so with the idea of encouraging application of this principle of "Let the best man win."

Principle of bonus system desirable in native as in white labour.

Nor should this idea stop with the handling of the white labour problem. It should be carried into the management of kaffirs as well. There should be some system of grading according to skill or proficiency, or some system of bonus reward for amount of work done, and with this should go some gradation of pay due to length of service in one employ. The boy coming anew to a mine should not be permitted, no matter what his skill, to take pay equal to those of the same grade who had been working on the property for, say, three months or six months.

Native labour.

If this idea could be carried out—if the good boys knew that, on deserting from one mine they could not under three or six months get an equal wage on another—they would not desert. It may be said that this is human nature, but is not kaffir nature. I simply submit that the kaffir is working for money, and it would not take him long to become altogether "human" in this point if it were faithfully enforced. And this, in my opinion, is the key to the kaffir labour problem on these mines. It is said that the kaffir is by nature a child, and must be treated as such. Well, there are vast families of these children here, and they have as many fathers and mothers looking out for them as there are mine managements. Each such pair of parents

spoils these children for all the other fathers and mothers, by taking the wayward runaways into their mine families on application, on an equal footing to that held in the family they left. If the deserting boys could not get into other mine families without sacrifice of standing, they would not desert.

Close organisation of mine managements necessary.

In short, the mine managements must work together in this matter. For that purpose they must be organised as one institution, and every mine management must be in it. This could only be effected under a law of the Republic. The details of the law should be presented by the representative Chambers of Mines. The operation of it should be wholly in the hands of the organisation created by it, under general supervision—not absolute dictation—of the Government. By some such means only, can I see the way at all clear to handle the kaffir labour problem of the future of the Rand.

Possible expansion of mining industry under favourable conditions.

Possible number of stamps on central Rand.

For purposes of my water supply study here I have, with several consulting engineers of the large mining managements, made a study in detail of the possible extent to which mining may be developed on the Rand, should the industry be relieved of undue burdens, and be permitted to expand under entirely favourable conditions. The general result is that within the fifteen miles of the Central Rand somewhat over 6,000 stamps could advantageously be supplied with ore and brought into operation.

Actual number of stamps on central Rand.

This estimate takes into consideration the development of the two tiers of deep-levels, an increase of stamps on some outcrop properties, as well as the entire working out of other outcrop properties. There are now within this fifteen miles of territory 2,550 stamps, of which 2,330 are believed to be working. The study has been very carefully entered into for this central part of the Rand, and an approximation has been made for the extension west to and including Randfontein, and east to and including Modderfontein.

Possible population of central Rand.

I conclude that the population directly dependent on mine work, and almost wholly living on or closely adjacent to mine properties, for operating, not construction, work, might be expected to reach, under the most favourable conditions, for the fifteen miles of Central Road, 12,000 whites and 100,000 kaffirs, and as many more for the two extensions combined. On top of these figures would go the general mercantile and business population, and some labour yet employed on surface constructions, though most of this latter would, by time of full stamp development, have been finished.

Aside from the city of Johannesburg, under these most favourable conditions, there is a possibility for employing, therefore, say 30,000 whites and 250,000 blacks on the Rand. It is not, for purposes of my point, necessary to assume the full figures. We might accept 25,000 whites and 200,000 blacks outside of the city population as a not unreasonable probability if very substantial reliefs are granted; and this, within 10 years: always provided that the black population can be made to come, stay and work faithfully at the lower wage necessary for development of this state of things. Besides all this population, there would be the city.

Government system of administration requires to be reformed.

If the present system of administering Government affairs should be kept up, it would then take a very large proportion of able-bodied burghers of the Republic simply to administer the laws. This could not be, and at the same time establish a revenue system which would relieve the mining industry and permit the development contemplated. The expense of administration would advance proportionately to the development, and that would at once arrest all progress. Moreover, the advanced agriculture necessary to advance the mining industry, could not itself be accomplished were the burghers nearly all occupied in public service.

The conclusions are unavoidable—(1) the burgher population must increase, proportionately, even more rapidly than the mining population; (2) the administration of laws on the Rand must be greatly changed; or (3) there can be no very great advance, no matter what reliefs be granted in the way of cheaper dynamite and cheaper transportation, and grievances will continue to exist.

Burgher population must increased.

Administrat of laws Rand must altered.

The administration of kaffir labour, and of all mine labour matters at the very least, will have to be left to the mine managements under some Government law, which would make all of them come in and stay in it for their own good and that of the country. The anomalous condition of 50,000 to 70,000 white people and 50,000 blacks, including city populations, massed in a limited area, and wholly governed and kept in order, even as to local matters, by guards and administrative officers drawn from a sparse agricultural population, cannot be made to work. It would be in every way unnatural and repugnant as a condition within a republic.

I refer to this merely as a labour question; not a political one outside of that immediate connection. It is facing this inevitable condition, gradually growing more acute,—no matter how good-natured and well-disposed all the people, burghers, *uitlanders*, and kaffirs may be—which presents the real problem of your country to-day, a problem which will come up for solution as a fiscal one—one of revenue. It need not come up in any other form to force you to solve it effectually, and you cannot possibly do so without the close co-operation in public affairs of those who are *uitlanders* to your land, but producers of its wealth.

The labour problem.

The problem can only be solved by making the *uitlander* feel at home here, as a *bona fide* resident, under, and participant in Government, at least of some sort, local or district. As to the kaffir, he cannot be made to become a progressive and efficient miner and reliable employee under the unnatural condition in which he is now held. That he should have at least a temporary home within no great distance of the mine centre, to which he could inexpensively retire after his engagements on mine service are over, and with the view of returning to mine work, seems to me to be absolutely essential to the end in view; or else he must be carried by rail, at a merely nominal rate, practically, to and from the country of his home. As I have tried to impress upon you, your problem is a very serious one, altogether aside from the political and *Uitlander* grievance form, in which it has heretofore come up. This mining, for reasons which already appear in evidence before you, is to be ranked in matters of governmental economy, with the staple industries in other countries.

Incorporation of uitlanders.

Native locations.

It has been said in evidence that there is no competition in gold mining. This is true in a sense; but not true as applied to the gold mining of the Transvaal at the present time. It is yet a question of capitalisation for the deep-level mines and those that are not already advanced to near the paying stage, and the Transvaal fields, in the money markets of the world, must compete for that capital as against other regions, for speculative venture. Moreover, there is and must be competition among cliques of financiers to secure for their properties the capital which is willing to come here, and the most successful and best managements will command the strongest financial support.

Competition in gold mining: Transvaal and foreign fields.

Thus all the elements of great industrial problems are here present, and your problem is an industrial one of the highest order and most intricate complications, and must deal with accordingly.

The sanitary condition of Johannesburg and the mines, and the system of water and refuse disposal, are not such as will admit expansion of the industry as before estimated. There will be disaster here if these subjects are not taken in hand for the public good. You only have to look at what is happening in

Sanitary reform necessary.

certain parts of your country now, in the way of disease, destruction, and death, to form a small idea of what will happen here if matters are not speedily corrected.

The way to effect this correction is not to grant concessions which will make speculative monopolies of sewerage and municipal water supplying. These matters, above all things, must be conducted honestly and faithfully for the public good, and not as speculations. You never will bring mining to a reasonably low figure of cost until you have a cheap and abundant city water supply for all purposes. This matter of water rates is, the world over, an index to industrial conditions. It will be here, and you cannot prevent it. Dear water, dear living, dear mining; it is always the case.

Johannesburg water supply.

To relieve this water supply and sewerage situation there are enough earnest people interested on the Rand to supply the capital out of hand, to place first-class works at the disposal of the city of Johannesburg at lowest possible cost price, with lowest rates of interest. And I venture to say that such an arrangement could be made if your Government would do its part and enable public-spirited capital to accomplish such an end without having to meet the demands of Government concessionaires.

Concessions.

From the standpoint of industrial economy the granting of exclusive concessions is a bad feature of Transvaal affairs. It finds no counterpart in the United States, and never did. Although it may have been necessary here in the past, it certainly is not so now. This country is at a stage where open competition on republican principles can make it great for the burghers; but it is also at a stage where a failure to recognise the principle, "Let the best man win," may ruin it for them through the working of natural laws in industrial development.

Agriculture.

While the crucial question, as directly affecting the mines, is, in my judgment, the labour question, there goes with it the problem of agricultural development. This is an agricultural country, some of it as good as any in the world. If the Government would actively and earnestly take steps to advance agriculture, in the light of best examples and practice the world over, and in a way suited to the people and the country itself, the longest possible step would be taken to permanently settle the problem of cheap mining by settling the problem of cheap living.

Cost of living.

Mr. W. Hosken's evidence.

MR. WILLIAM HOSKEN called, said:

Confirmation of Mr. Pistorius' statement.

I am a merchant resident in Johannesburg since 1889, and represent the Chamber of Commerce. I affirm that the statement of Mr. Pistorius is true. The Chamber of Commerce requested me to attend to give further evidence, especially with regard to railway questions. When this Industrial Commission was appointed, the representatives of the Chamber of Commerce and Mercantile Association held special meetings to consider the position and formulate a statement affirming that the causes of the present depression were effected as follows:—(*a*) The Netherlands Railway administration. Such as the differential and excessive rates, and lack of capable administration. (*b*) The excessive cost of dynamite. (*c*) Excessive taxation. (*d*) The industrial and trading monopolies, such as are being used for the development of industrial enterprise. (*e*) As shown by the insecurity evidenced by the withdrawal of capital by investors from the Transvaal, and the difficulty of arranging financial transactions and the want of firm legal measures to suppress gambling, especially in the form of sweeps.

Reasons for present depression

South African industries, including agriculture, dependent on mining industry.

I will endeavour in my evidence to avoid going over the same ground traversed by previous witnesses. Before taking up the definite points referred to, I shall direct the attention of the Commission to the industrial and economic fact that South Africa

is a mining country, and all other industries are dependent on the mining industry, not excepting agriculture. In proof of this, I have a table which shows that in 1896 the imports through the Cape and Natal amounted in value to £23,372,000, and the exports totalled £17,878,000. Of the minerals, gold showed a value of £8,355,000; diamonds, £4,640,000. Agricultural products exported include grain, flowers, grass (to the extent from the Cape of £20,000), spirits, wine, bark, oathay, feathers, wool, hides, skins, hair, and horns, totalling in all about £4,166,000. For other agricultural products the markets are found in this country through the mining industry. The markets are the mining towns, and the places through which the traffic for the mines passes. I don't wish to minimise the value and importance of the primary industry—namely, agriculture—but in this country the mining industry is pre-eminently the backbone and support of the whole country. The crops I have referred to are sold in the mining towns, and at the ports where the traffic for the mines passes through. The economic question outlined by these figures has in the past not received sufficient attention by even the people or the Governments in South Africa. I wish to put forward as a practical proposition to the Commission: If an acre of ground is cultivated for minerals, it should produce say £10,000 during a certain period. Is it not an equal advantage to the State and community to make the production through the mineral kingdom, as it would be for the same return to be made through the vegetable kingdom. The experience gained in other countries also assures us that the successful working of the mining industry brings success for all other industries with it, and especially success for agriculture. For examples, we can look to California, and Australia, and New Zealand. These countries were, in the first instance, exploited for minerals, and success in mineral work has enabled them to become foremost in agriculture. Therefore, the true policy for South Africa, and especially for the Transvaal, is to aid the mining industry in every possible way. I will now proceed to give definite evidence regarding the various points that the Chamber of Commerce considered so important. In the first place, there is the Netherlands Railway. In this connection the Chamber of Commerce wishes me to make some remarks on Mr. Middelberg's statement, laid before this Commission. Mr. Middelberg commences by correctly stating the accusation made against the Netherlands Railway, that it is taking an undue share of the transport dues from the ports to Johannesburg. He then proceeds to illustrate and defend his action in exacting this undue share by the analogy of a tenant with a house having to pay certain rent to the two or more joint-owners. Mr. Middelberg says it would be a matter of indifference to the tenant as to how the rent was divided amongst the owners. We accept the illustration as showing the position we are in as regards the South African railways. But Mr. Middelberg overlooks a most important point. He assumes that a tenant is satisfied with the rent. We are not satisfied. That entirely alters the proposition put forward by Mr. Middelberg. In pursuing the analogy further: Say the house consists of six rooms, all equally essential to the comfort and well-being of the tenant. The rent is £4 18s. 4d. per month—I take that sum as it represents the rough goods' rate per ton from Durban to Johannesburg. The tenant learns that the joint proprietors own the property in rooms, and that four rooms belong to one of the owners, and two to the other, but that the owner of the two rooms claims half the rent for his share. The tenant wants his rent reduced, and first calls on the owner of the two rooms to reduce his rent to the same standard as that of the owner of four rooms. Having secured that reduction, the tenant will proceed to press both owners for a further reduction. That is the position in the Transvaal to-day. The owner of the four rooms can be likened to Natal, which has 309 miles of railway on the line we have under consideration, and the two rooms the Netherlands, who have 178 miles.

Value and nature of imports and exports through Cape Colony and Natal in 1896.

Agriculture dependent on mining industry.

The Netherlands Railway.

Mr. Middelberg's statement.

receive salaries not more than the same 15 to 30 per cent. higher than they would command in the same American mine centres for like services.

If we compare these latter percentages, as to wages and salaries, with those of the illustration just given you, as to relative cost of living, and remember the rule—that cost of living must be an index of the wage—we find that it is not the higher paid white employees on the Rand who are reaping the harvest, if one is being garnered at present rates. I take up the more direct application of the foregoing to the problem which you have in hand.

Average working costs of mines on Rand

You have in evidence, so far as I have observed, the cost of mining and reduction of ores on the Rand, varying from about 24s. to about 29s. per ton milled. I have collected some data, which show a higher range, namely, up to 32s. per ton; and the result of my enquiry is rather to the point that there is more ore mined and reduced on the Rand at costs over 29s., than under that figure. Next, it appears that the proportionate part due to white labour, of the total cost, ranges from 28 to 35 per cent. And, again, I assume, upon the basis of my own enquiry and comparisons, that the average cost of living of all white mine employees is 25 to 35 per cent. greater here than in the American mining countries spoken of.

Possible reduction of working costs through reductions of cost of living.

If, upon these rates and ratios, we estimate how far wages might, without affecting the employees' profits, be cut down, and how much cost of production would thus be lowered, if the cost of living here were reduced to the American standard, and the wages proportionately lowered, we would have a result somewhat as follows:—Cost of mining and reduction, 24s. to 32s.; part due to labour, say 32 per cent., 7·68-10·24s. part due to excess cost of living; if rates here are 35 per cent. higher, 2·69-3·58s.; if rates here are 30 per cent. higher, 2·30-3·07s.; if rates here are 25 per cent. higher, 1·92-2·56s. From this it appears that the difference in cost of living here, as compared to American mining regions, may account for between, say 2s. as a minimum, and 3·58s as a maximum; that is, if cost of living for the white man were reduced here to what might be considered a reasonable basis, all wages and salaries could be cut, without diminishing the workers' profits, so as to reduce the cost of producing the gold from 2s to 3·58s.

This reasoning is based, you will observe, upon the assumption that the cost of living, at the mean of the wage scale, is a correct index of the fair average wage rate

If, now, we consider the application of this conclusion to the present wage rate, we have an interesting result, and that is, that the higher cost of white labour of all kinds, engaged in mining and for the mining companies, is accounted for, or somewhat more than accounted for, by the difference in the cost of the necessaries, and the amounts of expenditure, of life.

And, now, I come to a matter as to which I speak with confidence, because of personal experience in the management of labour, both skilled and unskilled, and of a wide opportunity to observe and hear the results of different systems of handling labour. This is the bonus system of rewarding extra exertion on the part of miners. There appears to be here a leaning towards an opinion that the system is unfair and extravagant. I desire to testify, not only to its equability and economy, but to its wisdom for other reasons, and to illustrate my testimony by some facts I have collected here, and by results of experience elsewhere. At the outset I desire to explain that I use the words "bonus system" as expressive of all forms of graded payment, whereunder a premium is set upon extra exertion, as evidenced by excess of results over the normal, due to simple day-wage results. In this category would come the graded-rate contract system, as well as the bonus system proper.

Bonus system.

The bonus system in America.

The higher grade American contractors on heavy engineering constructions, as well as managers of great manufacturing works, have long recognised the justice of

the underlying principle and the value to them of its application in management of their labour forces. Special rewards, extra pay, advances of rates of pay, made voluntarily to those men who prove specially active on arduous and dangerous duty, led to the more orderly bonus system, which is quite common in some branches of engineering construction, and in great iron and steel working establishments, to my own personal knowledge. Certainly, high-grade contractors and managers whose work is systematised, and the costs and relative costs known to a penny, would not adopt a system which did not pay them. If it would pay a contractor to follow that system in driving great tunnels, as I know from experience it does, it would pay him to adopt it in sinking a shaft. And if it would pay him to adopt it in shaft work, it should equally pay a mining company to do the same. That it does pay here you have had illustrated to you in the testimony of Mr. Catlin.

I endeavour to give some further illustration of its advantages, not alone on account of the direct benefits to be derived from the working of the system itself, but because there are very important correlative benefits which have not been brought to your notice, and because it embodies a principle whose application is indispensable to the solving of your entire labour problem—the great problem for the Rand and for the South African Republic.

Bonus system beneficial.

The mining industry has appealed to Government for relief of burdens. Representatives of Government say that there is a desire on the part of Government to foster the industry: It only wants to see its way clear to that end. And they ask what the industry proposes to do to help itself. Members of the industry's staff point out that one way is to extend the bonus system. Whereupon, there are those in prominent positions who imply or say, that the system, so far from being economical, is extravagant. To entertain this latter assertion, to adopt its idea, would be a fatal mistake for your Commission to fall into, for the reason above given.

I therefore ask your indulgence to present the matter somewhat more fully than Mr. Catlin could do, owing to his being on the eve of going away on vacation, when he appeared before you. First: Completing Mr. Catlin's figures as to the Catlin shaft. Passing over the first two or three months, when the work was not yet running regularly, there came two months, whose average rate was 60 feet per month, at a cost of £21 15s. 8d. per foot. Then the next five months, during which work was regular, the mean monthly progress was 128·3 feet, at an average cost of £19 5s. 6d. per foot. Now, it is well-known that such shafts had never before been sunk by the ungraded day-wage system, at a faster rate than 80 feet per month, or a lower cost than about £24 per foot. The far better result attained in the Catlin shaft —running the cost down in one month as low as £18 6s. and, in another month, the rate of speed up to 142 feet—is due to the incentive of the premium on extra exertion. It does seem that there can be no disputing the lesson taught by such figures.

Bonus system and the Catlin shaft.

I ask your attention to a business simile pointing this lesson. If a mercantile house makes a shipment of goods over a long voyage route, its manager considers first, cost, interest, insurance, meeting of demand, and profit. A question with him is as to whether he will order shipment by sailing vessel or by steamship, which will take less than half the time, but whose freight rates are greater. The world's experience shows that it pays the merchant to employ the quicker mode of transit at the higher freighting cost. The story is told by figures of the capital account in his books. An exactly similar story, only with far more favourable results, would be told by the capital account of a mining company engaged in sinking or developing work, were the books kept so that the point might be brought out, and if the bonus system were operated as the fast-rate steamship line against the one-grade-wage

Economy of bonus system.

system representing the comparatively slow line of sailing packets. Sinking a deep-level shaft is, in this way, an exact counterpart of freighting over a long voyage. I attempt to illustrate upon a basis of the experience on the Rand.

Hypothetical comparative cost of three deep-level shafts of Simmer and Jack East, on time wage and bonus system respectively.

The Simmer and Jack East Company has a working capital of £186,000 subscribed for the purpose of putting down to the reefs three shafts, with probable depths estimated at 2,400, 2,500, and 2,700 ft. As these are nearly the same, we may say that £62,000, one-third of the above total working capital for them, may be charged against each in capital account, and against that amount interest at, we will say, 6 per cent. should be charged in such account. If, now, the shafts are put down at the rate of 60 ft. per month, it will take 40, 41⅔, and 45 months respectively to sink them, and the amounts of interest which the capital account will show against the cost for each will be £12,400, £12,916, and £13,950 respectively. Adding these amounts to the principal in each case, the shafts will have cost the shareholders who put up their money originally and waited for return, £74,400, £74,916, and £75,950 respectively. But if the shafts are driven at double the rate of speed (120 ft. per month) the work would be accomplished in half the time, and half the above amounts of interest would be saved to the shareholders, because the mine could be brought into paying condition with the saving of that amount of time to which that amount of interest on shaft working capital would be due.

Saving to capital account by bonus system.

In the above instance the saving to the Simmer and Jack East capital account, and to shareholders, would amount to £19,633—a very handsome amount, you must admit, to be saved by good management. That this is an actual saving, every business man who keeps a capital account, will testify. And, be it remembered, it is entirely aside from the saving in actual cost of the shafts themselves, due to the lower rate of cost per foot attained, with the higher rate of speed in driving. The high speed bonus system is thus seen to operate both ways.

Saving in working costs by bonus system.

I next note what the total saving might be by it in the above illustrative case. Sunk by day labour, unencouraged, and at the rate Mr. Catlin found it cost to sink similar shafts in the same neighbourhood—say, £24 per foot—the 7,600 feet aggregate footage in depth of these three shafts, would cost £182,400—a small margin, only, less than the working capital £186,000, provided for them. Sunk under the bonus system at, say, £20 per foot (which is nearly 10s. more than Mr. Catlin's least rate under it) the cost would be £152,000. The direct saving in money would be £30,400; which with the saving of £19,633 to the Company's capital account and the shareholders, makes £60,033, which amount is nearly 40 per cent. on the actual cost of the shafts, or 33 per cent. of the working capital provided for them.

Saving in *pro rata* net product of time gained by bonus system.

But this is not all; there would be a saving of 20 to 22½ months' time; and this time in the full development of the enterprise is worth money to the shareholders in other ways than in saving interest on the working capital provided for the shafts. For instance, to shareholders who hold their shares, say, for the 20 to 22½ months after the mine commences to produce, the saving of that length of time in the shaft sinking is worth their *pro rata* of all the net product in that time.

It may be said that I have calculated interest on a capital which is greater than is required for the shafts. And so it would, in such a case, prove to be, but the estimate of capital required for the shafts was based on previous experience and rates for work here. That it is possible to do the work for a less sum, and thereby save, not only the interest on the whole sum for a very material length of time, but also a good part of the capital itself, is due to the operation of the bonus system. For constructions, as uncertain in incidental difficulties as shaft sinking, a liberal margin of capital must be provided in the estimates.

Rapid shaft sinking.

The above case is a hypothetical one, and no deep-level shaft has been completely

sunk at as great an average rate of speed as 120 feet per month, with as low an average cost as £20 per foot. But experience thus far warrants my using these figures for the purpose of illustrating a principle. Mr. Catlin's best speed was even much higher, 142 feet per month; his average for five months was 128·3 feet, at a mean cost of £19 5s. 6d., as we have seen. The actual costs of, and rates in, the Simmer and Jack East shafts themselves show figures ranging from different groups of months, as follows:—

Shaft Depth.	Mean depths of two months each. Feet.	Costs.			Total times at rates. Months.	Total costs at rates.	Total interest on costs.
2,400	90	£23	14	2	26¾	£56,900	£7,681
2,400	112	20	9	3	22	49,120	5,403
2,500	82	23	13	2	30	59,146	8,872
2,500	98	22	4	1	26	55,510	7,216
2,700	62	28	1	0	43	75,735	16,288
2,700	84	25	3	8	32	67,994	10,878

Cost of, and rates of speed in sinking of Simmer and Jack shafts.

The figures which I use in this statement were made up by the resident secretary of the company, Mr. Roberts, and have been furnished to me by Mr. Webb, consulting engineer to the company, arranged at my suggestion, so as to illustrate the point I make, namely, that with increased speed comes decreased cost per foot, decreased time necessary to sink the shaft, decreased cost of the work as a whole, and, of course, proportionately less interest to be charged in the capital account. Examination of each couplet—one for each of the three shafts, separately—tells the story. The cases are fairly selected. The incentive of the bonus produced the favourable result in every case.

Economy of rapid shaft sinking in deep levels, particularly in Simmer and Jack Proprietary Mines' three deep level shafts.

I beg to submit another illustration of the economy to be attained by rapid sinking of deep-level shafts. The nominal capital of the Simmer and Jack Proprietary Mines, Limited, is £5,000,000. The shares have actually been taken by the public and the vendors at rates up to £7 10s., but to be entirely conservative, I adopt the nominal rate of £5, which produces the capitalisation above quoted. Now, the shareholders are waiting for returns on their investments; the outcrop part of the property is being worked, and paying, but three deep-level shafts are being sunk, upon the completion of which the opening of fully one-third of the property necessarily depends. When these are producing ore, it is expected that the monthly returns will be doubled. These shafts, to open one-third of the producing area of the property, properly represent one-third of the company's capital, or £1,666,667, which, running at 6 per cent. per year (not a high rate for mining capital), properly has charged against it £100,000 interest per year in the capital accounts of those who hold the shares. This is at the rate of £8,333 per month.

If the three shafts are driven at the rate of 80 feet per month each, the maximum attained without bonus rewards (or 240 feet total), the interest being consumed is £38. If they were driven at an average of 110 feet each month (a rate which it is believed could be maintained over considerable periods, or until some untoward circumstance, like a temporary inburst of water, should happen), the total footage per month would be 330 feet, and the interest running would be, say, £25 per foot. This more rapid rate of driving, hence, would save to the shareholders, in interest on their investments at par, £13 per foot of shaft, which is materially more than 50 per cent. of the cost of the work thus far done on these particular shafts, and is over 60 per cent. of the least cost per foot attained in them.

This is a conservative example, which may well find its counterpart in practice if matters in future run smoothly, and the bonus system is operated to best advantage. The data for this illustration were furnished me through Mr. Webb, consulting engineer to the company, by Mr. Watson, manager, who has made some even stronger deductions in the same line of argument, showing economy and advantage of the bonus system in shaft-sinking. I submit these figures as illustrating, locally, the advantages of a system, which I have proven in the construction of canals and driving of tunnels in other countries.

Bonus system cheaper than time wage system.

I now ask your attention to a point as to actual comparative costs. You may be told that some shaft or shafts, wherein labour was paid by the day, without the extra incentive of a bonus, have been put down at less rates per foot than those where the bonus system was adopted. Having enquired into this matter, I suggest that, before you hesitate to fully appreciate and accept the advantages of the bonus system and its underlying principle, you make enquiry: First—As to the comparative size and character of the shaft or shafts alleged to have been put down more cheaply; Second—As to the nature of the material through which sunk; Third—As to whether it was not an incline shaft sunk on a mine already operative, and from which drifts or levels were at the same time being driven either way on the reef.

You will see immediately that in the case of a company sinking deep-level shafts only, *all* the hoisting expense on surface work, and all the office, management, professional and other costs, have to be charged proportionately against each foot of shaft sunk. There is no other work being done to charge part of them to. But in the case of a shaft being dropped down the reef on an operative mine, all this is quite different. In the first place, there is charged to that shaft, or incline, only its proportionate part of all the general expense of the mine—the mine office, the Johannesburg office, and London office expense, the management, professional service; and such items as in their entirety went against the shaft or shafts alone in the deep-level instance, are in the operative outcrop mine instance, divided and charged against a number of faces being driven in developing the mine, and against the stoping for ore output through other inclines. Then, again, as soon as drives commence to be made from the new incline, the general expenses and hoisting costs are again distributed against the footage made on all these faces for each month.

Thus, I think you will find, on careful and complete enquiry, that there are no cases where nearly as cheap work has been done in shaft-sinking by day labour without the incentive of a bonus, as has been done under influence of rewards for extra exertion.

Objections to bonus system.

And now we have seen that the bonus system operates greatly to the shareholders' benefit, what are the objections to it? That it enables common miners to make very much higher wages than miners usually do or should; and that it has and may again enable a common miner to draw from a company as much money in a month as high-grade professional men can earn in like time. This is alleged to be extravagant waste of company money. In the face of the facts and deductions which have been shown you, this ground of objection is untenable.

The primary conclusion from the facts must be that the company saves money, and the shareholders make money under the operation of the bonus system. Notwithstanding the miner receives a higher wage, taking time and work done into consideration, the bonus system is the cheapest. Even if the cost per foot, or other unit of work, were as much under the bonus system as by the day wage, yet it would save the time and the interest and the mine profit due to the time, which are very handsome considerations for the shareholder.

But beyond this, even, there is the benefit to the entire force on a property, which reward of merit on fair competition among members of that force produces; and the bonus system, properly applied, is not only a money maker to the shareholder, but a reward of merit to the miner. Where labour is graded in classes by mere naming of trade, and all individuals in each class or trade are paid alike a standard wage for that class—as all carpenters, all miners, the same for each in each calling—there is absolutely no reward for industry, extra intelligence, or special skill.

It is nonsense to say: "If a man does not come up to the mark, discharge him." What mark is meant? Men in all callings are graded, as to result they will produce, from very bad, bad, indifferent, fairly good, good, better, best, and extra. What is the standard? The mediocre? That would be an injustice to all above, and when so graded in reward, the best men drop to that plane, while those below, being paid as much as any, have no incentive to do better than their ordinary inefficient doing.

The true way, therefore, is to grade men on the pay-roll according to their deserts—their industry, good faith, and skill. This makes active-brained, industrious men of them, and none but the stupid dolts or the incorrigible loafers will fail to be benefited by recognition of special merit in some members of their class. The result is the greater amount and better quality of work all round. If some men are chosen by reason of their ability or push, and are given a job where they may win a very substantial bonus, all the fairly good men in that force will strive to merit the same favour at the hands of the manager.

Principle of bonus system, a republican principle.

Moreover—and this is a point which I desire to bring specially to your attention—the principle of this bonus system is that which goes by the common name in America, and probably elsewhere, of "Let the best man win." That is the principle underlying the republican form of Government. It works as well in industrial matters as in national affairs, and no republic can long stand which resolutely turns its back upon it, either as applied to national affairs or to industrial affairs within its borders.

The very reverse of this principle is that which dictates the grading of men's wages simply by trade. One trade, one wage, results in classifications of men which breed discontent and uprisings, such as monarchical forms of Government can best cope with. The principle of this grading is an autocratic one, not a republican one.

I respectfully submit that, whatever action this Government takes with relation to mine labour matters, it should do so with the idea of encouraging application of this principle of "Let the best man win."

Principle of bonus system desirable in natives as in white labour.

Nor should this idea stop with the handling of the white labour problem. It should be carried into the management of kaffirs as well. There should be some system of grading according to skill or proficiency, or some system of bonus reward for amount of work done, and with this should go some gradation of pay due to length of service in one employ. The boy coming anew to a mine should not be permitted, no matter what his skill, to take pay equal to those of the same grade who had been working on the property for, say, three months or six months.

Native labour.

If this idea could be carried out—if the good boys knew that, on deserting from one mine they could not under three or six months get an equal wage on another—they would not desert. It may be said that this is human nature, but is not kaffir nature. I simply submit that the kaffir is working for money, and it would not take him long to become altogether "human" in this point if it were faithfully enforced. And this, in my opinion, is the key to the kaffir labour problem on these mines. It is said that the kaffir is by nature a child, and must be treated as such. Well, there are vast families of these children here, and they have as many fathers and mothers looking out for them as there are mine managements. Each such pair of parents

spoils these children for all the other fathers and mothers, by taking the wayward runaways into their mine families on application, on an equal footing to that held in the family they left. If the deserting boys could not get into other mine families without sacrifice of standing, they would not desert.

Close organisation of mine managements necessary.

In short, the mine managements must work together in this matter. For that purpose they must be organised as one institution, and every mine management must be in it. This could only be effected under a law of the Republic. The details of the law should be presented by the representative Chambers of Mines. The operation of it should be wholly in the hands of the organisation created by it, under general supervision—not absolute dictation—of the Government. By some such means only, can I see the way at all clear to handle the kaffir labour problem of the future of the Rand.

Possible expansion of mining industry under favourable conditions.

Possible number of stamps on central Rand.

For purposes of my water supply study here I have, with several consulting engineers of the large mining managements, made a study in detail of the possible extent to which mining may be developed on the Rand, should the industry be relieved of undue burdens, and be permitted to expand under entirely favourable conditions. The general result is that within the fifteen miles of the Central Rand somewhat over 6,000 stamps could advantageously be supplied with ore and brought into operation.

Actual number of stamps on central Rand.

This estimate takes into consideration the development of the two tiers of deep-levels, an increase of stamps on some outcrop properties, as well as the entire working out of other outcrop properties. There are now within this fifteen miles of territory 2,550 stamps, of which 2,330 are believed to be working. The study has been very carefully entered into for this central part of the Rand, and an approximation has been made for the extension west to and including Randfontein, and east to and including Modderfontein.

Possible population of central Rand.

I conclude that the population directly dependent on mine work, and almost wholly living on or closely adjacent to mine properties, for operating, not construction, work, might be expected to reach, under the most favourable conditions, for the fifteen miles of Central Road, 12,000 whites and 100,000 kaffirs, and as many more for the two extensions combined. On top of these figures would go the general mercantile and business population, and some labour yet employed on surface constructions, though most of this latter would, by time of full stamp development, have been finished.

Aside from the city of Johannesburg, under these most favourable conditions, there is a possibility for employing, therefore, say 30,000 whites and 250,000 blacks on the Rand. It is not, for purposes of my point, necessary to assume the full figures. We might accept 25,000 whites and 200,000 blacks outside of the city population as a not unreasonable probability if very substantial reliefs are granted; and this, within 10 years: always provided that the black population can be made to come, stay and work faithfully at the lower wage necessary for development of this state of things. Besides all this population, there would be the city.

Government system of administration requires to be reformed.

If the present system of administering Government affairs should be kept up, it would then take a very large proportion of able-bodied burghers of the Republic simply to administer the laws. This could not be, and at the same time establish a revenue system which would relieve the mining industry and permit the development contemplated. The expense of administration would advance proportionately to the development, and that would at once arrest all progress. Moreover, the advanced agriculture necessary to advance the mining industry, could not itself be accomplished were the burghers nearly all occupied in public service.

The conclusions are unavoidable—(1) the burgher population must increase, proportionately, even more rapidly than the mining population; (2) the administration of laws on the Rand must be greatly changed; or (3) there can be no very great advance, no matter what reliefs be granted in the way of cheaper dynamite and cheaper transportation, and grievances will continue to exist.

Burgher population must be increased.

Administration of laws on Rand must be altered.

The administration of kaffir labour, and of all mine labour matters at the very least, will have to be left to the mine managements under some Government law, which would make all of them come in and stay in it for their own good and that of the country. The anomalous condition of 50,000 to 70,000 white people and 250,000 blacks, including city populations, massed in a limited area, and wholly governed and kept in order, even as to local matters, by guards and administrative officers drawn from a sparse agricultural population, cannot be made to work. It would be in every way unnatural and repugnant as a condition within a republic.

I refer to this merely as a labour question; not a political one outside of that immediate connection. It is facing this inevitable condition, gradually growing more acute,—no matter how good-natured and well-disposed all the people, burghers, *uitlanders*, and kaffirs may be—which presents the real problem of your country to-day, a problem which will come up for solution as a fiscal one—one of revenue. It need not come up in any other form to force you to solve it effectually, and you cannot possibly do so without the close co-operation in public affairs of those who are *uitlanders* to your land, but producers of its wealth.

The labour problem.

The problem can only be solved by making the *uitlander* feel at home here, as a *bona fide* resident, under, and participant in Government, at least of some sort, local or district. As to the kaffir, he cannot be made to become a progressive and efficient miner and reliable employee under the unnatural condition in which he is now held. That he should have at least a temporary home within no great distance of the mine centre, to which he could inexpensively retire after his engagements on mine service are over, and with the view of returning to mine work, seems to me to be absolutely essential to the end in view; or else he must be carried by rail, at a merely nominal rate, practically, to and from the country of his home. As I have tried to impress upon you, your problem is a very serious one, altogether aside from the political and *uitlander* grievance form, in which it has heretofore come up. This mining, for reasons which already appear in evidence before you, is to be ranked in matters of Governmental economy, with the staple industries in other countries.

Incorporation of uitlanders.

Native locations.

It has been said in evidence that there is no competition in gold mining. This is true in a sense; but not true as applied to the gold mining of the Transvaal at the present time. It is yet a question of capitalisation for the deep-level mines and those others not already advanced to near the paying stage, and the Transvaal fields, in the money markets of the world, must compete for that capital as against other regions, for speculative venture. Moreover, there is and must be competition among cliques of financiers to secure for their properties the capital which is willing to come here, and the most successful and best managements will command the strongest financial support.

Competition in gold mining: Transvaal and foreign fields.

Thus all the elements of great industrial problems are here present, and your question is an industrial one of the highest order and most intricate complications, and to be dealt with accordingly.

The sanitary condition of Johannesburg and the mines, and the system of water supply and refuse disposal, are not such as will admit expansion of the industry as hereinbefore estimated. There will be disaster here if these subjects are not taken strongly in hand for the public good. You only have to look at what is happening in

Sanitary reform necessary.

certain parts of your country now, in the way of disease, destruction, and death, to form a small idea of what will happen here if matters are not speedily corrected.

The way to effect this correction is not to grant concessions which will make speculative monopolies of sewerage and municipal water supplying. These matters, above all things, must be conducted honestly and faithfully for the public good, and not as speculations. You never will bring mining to a reasonably low figure of cost until you have a cheap and abundant city water supply for all purposes. This matter of water rates is, the world over, an index to industrial conditions. It will be here, and you cannot prevent it. Dear water, dear living, dear mining; it is always the case.

Johannesburg water supply.

To relieve this water supply and sewerage situation there are enough earnest people interested on the Rand to supply the capital out of hand, to place first-class works at the disposal of the city of Johannesburg at lowest possible cost price, with lowest rates of interest. And I venture to say that such an arrangement could be made if your Government would do its part and enable public-spirited capital to accomplish such an end without having to meet the demands of Government concessionaires.

Concessions.

From the standpoint of industrial economy the granting of exclusive concessions is a bad feature of Transvaal affairs. It finds no counterpart in the United States, and never did. Although it may have been necessary here in the past, it certainly is not so now. This country is at a stage where open competition on republican principles can make it great for the burghers; but it is also at a stage where a failure to recognise the principle, "Let the best man win," may ruin it for them through the working of natural laws in industrial development.

Agriculture.

While the crucial question, as directly affecting the mines, is, in my judgment, the labour question, there goes with it the problem of agricultural development. This is an agricultural country, some of it as good as any in the world. If the Government would actively and earnestly take steps to advance agriculture, in the light of best examples and practice the world over, and in a way suited to the people and the country itself, the longest possible step would be taken to permanently settle the problem of cheap mining by settling the problem of cheap living.

Cost of living.

Mr. W. Hosken's evidence.

MR. WILLIAM HOSKEN called, said:

I am a merchant resident in Johannesburg since 1889, and represent the Chamber of Commerce. I affirm that the statement of Mr. Pistorius is true. The Chamber of Commerce requested me to attend to give further evidence, especially with regard to railway questions. When this Industrial Commission was appointed, the representatives of the Chamber of Commerce and Mercantile Association held special meetings to consider the position and formulate a statement affirming that the causes of the present depression were effected as follows:—(*a*) The Netherlands Railway administration. Such as the differential and excessive rates, and lack of capable administration. (*b*) The excessive cost of dynamite. (*c*) Excessive taxation. (*d*) The industrial and trading monopolies, such as are being used for the development of industrial enterprise. (*e*) As shown by the insecurity evidenced by the withdrawal of capital by investors from the Transvaal, and the difficulty of arranging financial transactions, and the want of firm legal measures to suppress gambling, especially in the form of sweeps.

Confirmation of Mr. Pistorius' statement.

Reasons for present depression

I will endeavour in my evidence to avoid going over the same ground traversed by previous witnesses. Before taking up the definite points referred to, I shall ask the attention of the Commission to the industrial and economic fact that South Africa

South African industries, including agriculture, dependent on mining industry.

is a mining country, and all other industries are dependent on the mining industry, not excepting agriculture. In proof of this, I have a table which shows that in 1896 the imports through the Cape and Natal amounted in value to £23,372,000, and the exports totalled £17,878,000. Of the minerals, gold showed a value of £8,355,000; diamonds, £4,640,000. Agricultural products exported include grain, flowers, grass (to the extent from the Cape of £20,000), spirits, wine, bark, oathay, feathers, wool, hides, skins, hair, and horns, totalling in all about £4,166,000. For other agricultural products the markets are found in this country through the mining industry. The markets are the mining towns, and the places through which the traffic for the mines passes. I don't wish to minimise the value and importance of the primary industry—namely, agriculture—but in this country the mining industry is pre-eminently the backbone and support of the whole country. The crops I have referred to are sold in the mining towns, and at the ports where the traffic for the mines passes through. The economic question outlined by these figures has in the past not received sufficient attention by even the people or the Governments in South Africa. I wish to put forward as a practical proposition to the Commission: If an acre of ground is cultivated for minerals, it should produce say £10,000 during a certain period. Is it not an equal advantage to the State and community to make the production through the mineral kingdom, as it would be for the same return to be made through the vegetable kingdom. The experience gained in other countries also assures us that the successful working of the mining industry brings success for all other industries with it, and especially success for agriculture. For examples, we can look to California, and Australia, and New Zealand. These countries were, in the first instance, exploited for minerals, and success in mineral work has enabled them to become foremost in agriculture. Therefore, the true policy for South Africa, and especially for the Transvaal, is to aid the mining industry in every possible way. I will now proceed to give definite evidence regarding the various points that the Chamber of Commerce considered so important. In the first place, there is the Netherlands Railway. In this connection the Chamber of Commerce wishes me to make some remarks on Mr. Middelberg's statement, laid before this Commission. Mr. Middelberg commences by correctly stating the accusation made against the Netherlands Railway, that it is taking an undue share of the transport dues from the ports to Johannesburg. He then proceeds to illustrate and defend his action in exacting this undue share by the analogy of a tenant with a house having to pay certain rent to the two or more joint-owners. Mr. Middelberg says it would be a matter of indifference to the tenant as to how the rent was divided amongst the owners. We accept the illustration as showing the position we are in as regards the South African railways. But Mr. Middelberg overlooks a most important point. He assumes that a tenant is satisfied with the rent. We are not satisfied. That entirely alters the proposition put forward by Mr. Middelberg. In pursuing the analogy further: Say the house consists of six rooms, all equally essential to the comfort and well-being of the tenant. The rent is £4 18s. 4d. per month—I take that sum as it represents the rough goods' rate per ton from Durban to Johannesburg. The tenant learns that the joint proprietors own the property in rooms, and that four rooms belong to one of the owners, and two to the other, but that the owner of the two rooms claims half the rent for his share. The tenant wants his rent reduced, and first calls on the owner of the two rooms to reduce his rent to the same standard as that of the owner of four rooms. Having secured that reduction, the tenant will proceed to press both owners for a further reduction. That is the position in the Transvaal to-day. The owner of the four rooms can be likened to Natal, which has 309 miles of railway on the line we have under consideration, and the two rooms the Netherlands, who have 178 miles.

Value and nature of imports and exports through Cape Colony and Natal in 1896.

Agriculture dependent on mining industry.

The Netherlands Railway.

Mr. Middelberg's statement.

The total rate is £4 18s. 4d. Natal gets £2 10s. and the Netherlands get £2 8s. 4d. We, therefore, think that, taking Mr. Middelberg's own analogy, it is a most definite proof of our case for a demand for a reduction. I then follow some special pleadings by Mr. Middelberg that are even more fallacious than the house analogy, until we come to the statement that people have distorted the share rates of the Netherlands Railway, and made them appear as tariffs, and compared them with those in other countries in the world. The amount shared by the Netherlands is not a share of the through-rate, but a definite tariff charged for that portion of the line under the Netherlands administration. The Cape and Free State sections show in all their tariff and railway debits separate entries for their portions of the line to Mid-Vaal River. I hope I have made this clear to the Commission. Mr. Middelberg made a strong point of this through-rate from the port to Johannesburg, and said that we are only interested in the through-rate, and that we are not interested in the question of how that rate was apportioned by the different owners, and pointed out that the through-rate had been arranged for, with the help and assistance of the Netherlands Railway, on a low basis. My endeavour will be to show that whatever benefits we get in the way of a low rate, are not due in any measure to the Netherlands Railway, but have come, in fact, in spite of it, and that the rates as quoted by the different administrations are rates to the border, and the Netherlands Railway have levelled the different rates up to the point that suits their idea of what they should be.

Netherlands Railway share in through rate.

Chairman.

Mr. Middelberg's evidence.

You are now quoting something which has been fully discussed by Mr. Middelberg and the members of the Commission, and it has been argued over and over again. The Commission does not want to go over the same ground again, and we cannot call Mr. Middelberg to reply to you. The cross-examination was of the same tenour as your statement, and if you follow Mr. Middelberg's examination, you will see that the same questions which you are now touching upon were gone into.—The figures I wanted to put in could not have been before you.

Mr. *Smit.*

The Commission don't want you to come and plead your cause. We want evidence and not argument, especially so in the absence of a former witness.—But statements have been made and not controverted.

Chairman.

If you read the evidence of Mr. Middelberg, you will see it has been controverted in cross-examination.

Mr. *Smit.*

You do not contradict; you simply argue and plead your case like an advocate.—I wanted to explain my position up to the point—or how can I otherwise make clear my standing in the matter? Mr. Middelberg, for instance, has repudiated a telegram which was filed here by Mr. Goldmann, regarding a change in the price of cement. The telegram was sent to the Chamber of Commerce, and put in evidence by Mr. Goldmann, from the general manager of the Cape Railways, saying that in consequence of representations made by the Netherlands Railway, the rate on cement had been raised. Mr. Middelberg referred to this previous evidence and repudiated it. Now, on behalf of the Chamber of Commerce, I will, if you will permit me, and I am to give proper evidence, put in the letter, dated the 6th August, 1895. It is from the Johannesburg Chamber of Commerce to Mr. Middelberg, and quotes this same telegram

Increase of railway rate on cement.

in the body of the letter, which charges the Netherlands Railway with having raised the rates; and we ask for an explanation as to whether the Netherlands Railway have raised the rates. I have, further a copy of the telegram from Mr. Elliott to Mr. Middelberg, which, if I am to give evidence, I must read, saying that, "in consequence of the conversation we had in Pretoria last Monday, I have issued a notice that the rate on cement will be advanced one month hence." I have, further, a copy of a letter from the general manager of railways, Capetown, to the East London Chamber of Commerce, making the same statement, all about the same date. I think the only use of my evidence about railways would be to traverse some of the statements made by Mr. Middelberg, so I leave it to the Commission to say whether I shall go on.

Chairman.

I don't want to hear any further arguments about it. We have got complete evidence about the high tariff charged by the railway, and against this we have got the evidence of Mr. Middelberg, and I find enough in all that evidence for the purpose of my report. If you have got any special grievances against the railway, or any new evidence, I shall be pleased to hear it.

Further evidence as to railway rates inadmissable.

Mr. *Smit.*

I want to add, if you can prove there is anything wrong or misleading in Mr. Middelberg's statement, then the Commission will hear it.—The committee of the Chamber of Commerce examined this statement of Mr. Middelberg's critically, with a view to offering rebutting evidence.

Mr. Middelberg evidence.

Mr. *de Beer.*

We don't want criticisms. Of course, we will hear with pleasure any facts. The members of the Commission, as well as the Chamber of Commerce can use their discretion in criticising Mr. Middelberg's statement.—Of course if the statistical comparative reports that have been prepared with great care are not wanted, we must simply leave that and go on.

We want you to say where you differ from Mr. Middelberg and produce the proof.—That is what I wish to do. I would point out the fallacy of that table produced by Mr. Middelberg. Then there is another table which we say is entirely wrong—it is the tabulated statement of comparisons of tariffs. Mr. Middelberg endeavours to show that the Netherlands local rates are below the Natal rates. With one exception that is entirely wrong. Natal has a tariff for under 25 miles, which is above the Netherlands rate; but when we come to 50 miles the Natal rate works out as follows:—For the three classes 4·50d., as against the Netherlands 6d.; 3·70d as against Netherlands 4·50d, and 3·10d as against 3d. Practically the whole traffic in the Transvaal is for more than 50 miles, therefore the only reasonable comparison to make is for 50 miles and upwards. Taking it for 100 miles for the three classes, the comparison is: Natal, 4d, Netherlands, 6d; Natal, 3·25d, Netherlands, 4·50d; Natal, 2·75d; Netherlands, 3d. At the Railway Congress in Capetown two years ago, at which each of the Chambers of Commerce in South Africa, from Capetown to Pretoria, and right away to Buluwayo, were represented, the representatives from Bloemfontein raised this question of railway rates, and in the opinion of the members present, it was agreed that it was unreasonable that the tonnage of traffic to Bloemfontein should come in the mileage rate in comparison with the traffic for Johannesburg. Such a table, when put forward, is liable to mislead public opinion. Mr. Middelberg compares the rate to Mochudi for instance, with the rate to Johannesburg. The comparison of traffic is five tons to Mochudi for every 1,000 tons to Johannesburg. So it is impossible to make a compari-

Local railway rates.

Differential railway rates.

Transvaal and Bechuanaland extension railway rates.

son on anything like equal conditions. Then follows a statement comparing the rates charged on other lines, and it especially says that the rates inland on the extension through Bechuanaland are greater than they are in the Transvaal. The plainest reply to that is the notice given in the Cape Colony about three days ago, that food supplies will be carried at ½d per ton per mile. When we get in the Transvaal a rate of ½d per ton per mile we will not complain. We say that the Netherlands management of the railways is most expensive and inefficient.

Maladministration of the Netherlands Railway.

Chairman.

Are there no reasons why it should be more expensive than the Natal management?—On the contrary, we think it should be cheaper.

Have you tried to find out why it is more expensive?—Yes. In the general statement put in by the Chamber of Commerce it is put down to lack of capable administration. We say the Netherlands Railway should be run at a much less rate, because it runs mainly on the table-land; it is in the midst of the coal country and the traffic is concentrated, enabling the lines to be worked to their utmost carrying capacity. To show how important that point is, we have a most useful object-lesson in the Cape Colony. We find that the returns on the different systems are as follows:—Western, £6 17s 6d; Midland, £10 17s 11d; Eastern, £5 19s. 2d; Northern, £15 12s.; which shows that the traffic concentrates on the northern line, and the profits jump up.

As regards the different statistics, cost per mile, and working expenses, I think they should get it direct from the different administrations, which would be preferable to getting it from third parties.—I should like to go into detail as to the earnings. The different railway administrations in South Africa make enormous profits. The Cape administration show by their published accounts that they made a profit last year of £1,356,000; the Natal Railway, £456,000; and, we assume, the Netherlands made a profit of 1,330,000. The Netherlands Railway Company has been credited with 6 per cent. on its capital, debentures, etc.: Natal has been credited with 4 per cent., and the Cape 4 per cent., the amount over and above these charges is equal to a tax of 15s 6d per ton on the companies' crushings last year. But, of course, a great portion of the charge is borne by the deep-level and development companies.

Profits of South African railways.

We have had all that information from the Chamber of Mines, the Association of Mines, etc. I wish you to confine yourself, as representing the Chamber of Commerce, to the interests of commerce and trade, and to show what can be done to assist commerce and trade. All the other points have been already dealt with by the mine managers and other people.—You see we are all so interested in the mining question.

I think the information the Commission have on the mining question is complete, so we will thank you to confine yourself to what belongs to your department—the Chamber of Commerce. It is the same point that I mentioned to Mr. Pistorius.—I would like to point out that Mr. Pistorius specially assisted in getting up the figures I have given to you. I would like to file a series of questions prepared by the Chamber of Commerce, with a view to Mr. Middelberg's examination. The Chamber of Commerce requested that it might be represented directly on the Commission, and that request not having been acceded to, the only opportunity to examine Mr. Middelberg was to prepare this series of questions. We understand they were handed to Mr. Middelberg by a member of the Commission, but no reply has ever been received. I have been requested by the Chamber of Commerce to present these questions, and to ask the Commission if they will be good enough to get a reply from Mr. Middelberg.

Questions of Johannesburg Chamber of Commerce to Mr. Middelberg

The questions themselves were so framed with the intention of showing the especial grievances under which the commercial people suffer.

Mr. *Smit.*

You ask the Commission to forward these to Mr. Middelberg?—Yes.

You mean this Commission ought to make itself a special commission on behalf of the Chamber of Commerce?—We thought, seeing the important interests the Chamber of Commerce represents, we hoped the Government would——

You consider the Chamber of Commerce is really a little Government of its own, which wants to see this Commission put a special investigation against the N.Z.A.S.M. on these grounds?—Certainly not. The thing seems too absurd to reply to almost. The Chamber of Commerce is there to look after the interests of the community. To take that as a question to be considered seriously—that the Chamber of Commerce is a Government in itself—approaches almost to the ridiculous.

But I say it is equally ridiculous to put in a lot of questions for the Commission to put to someone else, whereas the Commission is sitting here, and knows how to conduct the enquiry. You have heard that the Chamber of Commerce has had the same chance as everybody else to expose their grievances, and point out faults, but now the Chamber of Commerce comes, standing above the Chamber of Mines, above the Mercantile Association, and charging the Commission to begin, specially on behalf of the Chamber of Commerce, an investigation against the railway company, against which you have seen fit to adduce attorneys' arguments.—I think the member of the Commission who has just spoken is entirely mistaking his position. In the first place, the Chamber of Commerce does not arrogate to itself any position of superiority. That series of questions, instead of being arranged by the Chamber of Commerce itself, as Mr. Smit has stated, is the joint product of the Chamber of Commerce and the Mercantile Association. They had no opportunity whatever of getting information on these important points contained in the enquiries except through this Commission, and they therefore approached the Commission with the hope that such information would be elicited. For the purposes of this enquiry, I am willing to assert these statements instead of putting them in the form of questions, but our desire was to be perfectly fair, and not make assertions until we were sure of our position, and, therefore, we asked the questions first before we made a protest against what we understood would be the answer. Surely, I submit, that was a respectful way in which to approach the Commission. It will be necessary for me, if I go on with my evidence, to refer to these questions. I have overwhelming proof in regard to some points referred to in these questions. For instance, we ask why the Netherlands Railway shelters itself behind owners' risk to endeavour to entirely contract itself out of loss, when the loss is so flagrant that it loses whole truckloads of goods at a time. I have evidence to show that truckload after truckload, not merely solitary instances, has been absolutely lost, and the Netherlands Railway refuse to entertain any claim, sheltering themselves under their regulations, which have been approved by the Executive Council, and therefore, they say, are in force. They refuse to pay for the goods which they have never delivered, and refuse to refund even the money they received for the carriage of these goods.

"Owners' risk on Netherlands Railway

Chairman.

Have any of these cases been taken into Court?—They have not been taken into Court.

It does not lie with the Commission to clear up this matter.—No, but this shows the mismanagement of the Netherlands Railway, and how it tells on the industry.

That is our point in the matter. Even the very fact of these cases not being brough into Court is one proof of the mismanagement of the railway. Every firm reports t the Chamber of Commerce after their loss, and each firm is afraid of taking the onu of responsibility of taking the case into Court against the railway company, becaus of the master position of the Netherlands Railway, by which we are compelled t bring the whole of our goods through their administration. I think the Commissio will see what a difficult position any firm would be in that takes up a case to figh under such conditions.

Difficulty of legal action against the Netherlands Railway.

You have mentioned several instances of goods having been lost through th fault of the railway, and that the company shielded itself behind the regulation, tha they are not responsible for goods carried on their line. I have asked you whethe you have already brought one case into Court where it has been decided that th company in that manner allowed goods to get lost without compensation.—As far a the Chamber of Commerce has been aware no case has been decided. At the las meeting a firm in town appealed to us for assistance to go on with the case, and sub mitted counsel's opinion showing that under the regulations, if they were upheld there was no claim against the railway, but, the opinion went on to say, they wer *ultra vires* and beyond the powers of the Executive to grant, as overriding th common law of the country, and, therefore raised the very important point as t whether the Executive Council had power to make regulations beyond the laws, an also raised the very constitutional question which has created such a difficulty recentl with the judges. I am glad to have the opportunity to make this explanation, t show how difficult it is for any single firm to fight a claim through the Court The regulations, as published by the Netherlands Railway, and approved by th Executive Council, permit them to disclaim responsibility. I have been requested t state to the Commission definite cases of whole truckloads of goods of various kinds—grain, bags, timber, &c.—where they have actually been lost, and the Netherlands repl that they shield themselves under the "owner's risk" regulation, and refuse to enter tain the claim for the goods, or even refund the carriage they have collected on them.

The regulations of the Netherlands Railway unconstitutional.

Have you made any complaints about that to the Government Commissioner o Railways?—During my absence in England I am advised that the Chamber of Com merce and Mercantile Association had an appointment with the Railway Commissione to discuss this and other points in Pretoria, and deputations attended in Pretoria, bu the Railway Comissioner did not meet them, and they thought it impossible to go o further in that direction.

Merchants and the Railway Commissioner

Does a man usually address himself to the Chamber of Commerce?—The Chamber of Commerce exists to assist traders.

Then, if a merchant finds himself in difficulty, why does he not apply to the Railway Commissioner?—The Railway Commissioner has not put himself in touch with the people in this town. The Railway Commissioner, for instance, has never attended a meeting of the Chamber of Commerce, or in any way put himself in touch with the people who provide the traffic, and, in this particular instance, eight representative merchants went over to Pretoria by appointment, and, when they arrived there, the Commissioner could not be found, and, therefore, the merchants of this town consider it useless to appeal to the Commissioner.

That is not a reply to my question. I want to know whether it is imperative, if a merchant or trader gets into difficulties with the railway company, to first address himself to the Chamber of Commerce?—No; but two cases now pending have been submitted to the Chamber for advice. Beyond that, the Chamber could not assist them.

You have made another remark I don't agree with, when you say that merchants

would be afraid to bring their cases before the Court, owing to the regulations passed and approved of by the Executive, and because they would be on the same basis as the case of the judges. You also said the railway was such a mighty faction, and had such big influence, that it is very hard to bring a case into Court. Now, I deny this, and in any case where I thought I was wronged by a railway official, or the company, I would not fear their power to go into Court. Beyond that I have got nothing to say.

Difficulty of legal action against the Netherland Railway.

Mr. Smit explained that the appointment referred to by Mr. Hosken was not kept on account of the merchants making the arrangement to meet in his office without consulting him or giving him details of complaints which had been made in a general way. He, moreover, wired to them that Government business would take him to Johannesburg that day. With regard to the regulations being contrary to the laws of the country; if that were so, it was contrary to the protection of the rights of the Republic, and it would be the Commission's duty to alter that. Could Mr. Hosken state any of these regulations which were against the law of the land.

Merchants' and the Railway Commission.

Witness said he had only given counsel's opinion, which he would be very glad to put in. In this opinion the different regulations were enumerated.

Mr. *Albu.*

You were formerly agent of the Glasgow Dynamite Trust?

Witness said he had one or two other points regarding railway matters he would like to submit, and he proceeded to detail cases of goods being lost, and of the company repudiating any liability whatever.

Won't the regulations allow you to sue them?—No.

You were formerly agent of Nobel's Glasgow Dynamite Company?—Then I am not to go on with the railway case. I would like to state, on behalf of the Chamber, that this letter I have put in, shows definitely the difficulties we are under, under these "owner's risk" laws. This refers to a consignment of 50 boxes of candles, six dozen shovels, and 8cwt. of nails consigned to the Nigel Company. The candles and shovels came under railway risk, and the nails under owners' risk. The railway delivered the candles and shovels, and lost the nails, and absolutely declined any claim, because they were under owners' risk. The merchants, and the town particularly, protest that under the "owners' risk" laws goods are constantly missing, and the railway refuse to consider any claims. This is a typical instance. The only one item in the whole consignment under owners' risk is lost. They did not deliver a pound of it, and declined to consider any claim. That was a thing the merchants, as a body, said was so hard on them. There are two resolutions I was instructed to submit to the Commission, which were passed at the meeting on 28th May. The first is to this effect: "That this Chamber protests against the short notice given from time to time of the railway company's special rates for food supplies coming from over the sea." Bearing in mind the important question of food supplies for this large community, the Commission will see the importance of the matter. The ordinary rate from Durban is 6s. 9d. per 100lbs. on mealies. In view of the urgent necessity for supplies from oversea, a special rate was provided by the Netherlands Railway of 4s. 4d.—a difference of 4s. 10d. a bag less in the cost of bringing the grain here. Therefore, it is evident what an important question it was. The special rate expired at the end of March. Every possible endeavour was made to get the Netherlands Railway to declare whether it would continue during April. The Natal Government did all it could, and offered us, as traders in Johannesburg, to take goods up to the last day in March if the Netherlands Railway would carry them forward. The Netherlands Railway would not give a reply, and it was only on the 3rd April that we had a notice—not published even then by the Netherlands Railway, but by the Natal Government Rail-

"Owners risk" on Netherlands Railway.

Special railway rates on foodstuffs.

way—saying that the rate would be continued during April. It was only a notice for the month. At the end of April we, as dealers, wanted again to know our position. We again could not get a reply from the Netherlands Railway, and the Natal Railway published a notice on the 29th April, that the rate would be continued during May. The same thing happened in May, only not quite so flagrant a case. The Cape Railway published a notice on the 17th May, saying the rate would be continued during June, and we think such an important question as this shows the utter want of management, when the food supplies of a great community such as this are taken into account. The next resolution passed by the Chamber of Commerce is also on the food supply. It states that the special rate for the food supplies should include flour or other products of wheat. Perhaps I might explain that the regulations only provide for grain, including wheat, but do not provide for the products of grain. Therefore, we have this extraordinary position, that wheat is paying 4s. 4d. per 100lbs., but flour, which is the food of the working men of the country, is paying 6s. 3d., and we think it is an unreasonable position. With regard to the questions of the Chamber of Commerce, at the express instructions of that Chamber, I am requested to file them with the Commission. I would like the Commission to instruct me what reply I have to take to the Chamber of Commerce, as a representative, regarding these particular enquiries.

Questions of Johannesburg Chamber of Commerce to Mr. Middelberg

Mr. *de Beer.*

Mr. Hay informed me that Mr. Middelberg has those questions.—Yes, is he going to reply to them?

We have not heard from him yet.—Might I say to the Chamber that they may expect a reply from the Commission?

Chairman.

No, the Commission cannot give any special reply. They will make a general report.—On the Chamber of Commerce questions, it is absolutely necessary to point out that for three years past we petitioned the Raad for expropriation of the railway. We have been consistent in our policy from the first. The merchants are more in touch with the Railway Department than the mines are, and better able, therefore, to judge of the management and general working. Surely that is best indicated by the fact of these petitions, which we have year after year sent in to the Raad.

The Johannesburg Chamber of Commerce and railway expropriation.

I think this is just the question which the Chamber of Commerce cannot judge about, and it is not their business to tell the Government to expropriate the railway. The Government was wise, without the Chamber of Commerce, to get the clause in the concession altered. It first of all read that the Government could only expropriate after ten years, and if it was not then expropriated they would have to wait another ten years. The Government has taken care that the clause is put so that they can expropriate at any time. The Government will also be wise to see when it is to the interest of the country, and when it agrees with the views of the Government to expropriate.—The Chamber of Commerce recognised that improvement, and directly the Government made that improvement as to expropriation, they immediately approached the Government, in a constitutional manner, through petition from the Raad, and asked them to exercise their right.

I repeat, it does not lie in your way. It is a matter entirely within the jurisdiction of the Government.

Mr. *Albu.*

Mr. Hosken and Nobel's Glasgow Dynamite Factory.

You have been agent or director of Nobel's Glasgow Dynamite factory?—I was agent for sale.

Have you had any experience with the sale of dynamite elsewhere?—I was director of the Transvaal Company.

This Transvaal Company?—Yes.

Mr. Hosken and the Transvaal Dynamite Co.

If I remember rightly, some years ago you were a great opponent of Lippert's. In the face of that it seems somewhat strange to me that you became a director of the Transvaal Dynamite Company. I mean it would appear strange to anybody.—I don't think so.

Well, you have been opposing Lippert as a monopolist. He is the monopolist to-day, or rather Nobel's, for it is all the same, and you became a director. For what? For opposing him at first? Was it a particular feeling of gratitude they showed to you?—I may explain the position in a sentence. At the time we were in active opposition—I am not speaking personally, but as a representative of Nobel's—the position regarding the monopoly as it then existed was that it was assailable—the original contract of Lippert's was assailable. It was contrary to the London Convention; it was contrary to the Treaty of Commerce with Germany. Nobel's, as being manufacturers in both England and Germany, represented the case to both these Governments, and both these Governments protested against the position.

Nobel's and Mr. Lippert's first dynamite contract.

But what does that matter?—The new regulation comes within the provisions of the Transvaal Convention and their treaties of commerce, and we were absolutely debarred from further opposition.

Nobel's and the present dynamite concession.

Who was?—Nobel's. The position is entirely changed. Previously the regulation was wrong and could be attacked. Now, it could not be attacked, and that materially altered the position. The only chance, therefore, as Nobel's agent, to get into this market was to make arrangements with the man who held the key of the door, and Mr. Lippert held the key of the door.

I suspected at the time that Nobel's was playing up to all three parties—to Lippert, the mining industry, and the Government. Whichever party was winning, Nobel's was sure to slip in somehow.—I say you are entirely wrong. We were in *bona fide* opposition, and as long as there was a chance to get into this market—the biggest in the world for explosives—we were prepared to fight the case. But when the Transvaal Government shut the door and gave the key to Mr. Lippert, our only chance to get in was to make an arrangement with Mr. Lippert. I think that replies to you fairly.

Yes, it clears up the reason why you have been a director of the Transvaal Company.—Certainly, we had to make an arrangement with Mr. Lippert. You have produced evidence to show that Nobel's provided the £220,000 to found the factory.

But Mr. Phillip would not admit it.—Well, if Mr. Phillip would not admit it, you produced evidence yourself showing it. Nobel's selected men they had on the spot to represent them on the Board. I say the position is perfectly straightforward and upright.

Oh, yes. I don't say anything against that. Did you offer to supply the mines with dynamite, at a price very much lower than the present?—You will find my name is on that contract we offered to all the mines, by which we offered to supply dynamite at 40s. per case, and retained the option to supply it at less than 40s. if it suited us.

Nobel's offer to sell dynamite free in bond at 40s. per case.

That was No. 1 dynamite, 75 per cent.?—Yes; delivered here *ex* magazine.

How about duty?—40s. *ex* magazine duty.

You are absolutely certain you offered to do that?—Yes. You were not a party to the contract. You at that time took the opposite side, unfortunately for us.

I took the opposite side when Lippert was a monopolist; and the manipulation was to get rid of Lippert, and somebody else would come in. I was afraid of that somebody else. That was Nobel's.—The offer was fully reported at the time. We said

we would supply the dynamite at 40s. for 14 years if they liked. The Government imposed a duty of 37s. 8d. per case on No. 1 dynamite.

Price of Nobel's blasting gelatine.

Blasting gelatine I suppose you offered to supply in proportion?—To the 40s. we add 35 per cent. for blasting gelatine, plus the duty, which amounts to about £2 per case.

And you think Nobel's would be willing to supply it for less?—I don't know: I am simply agent for sale.

But, as agent for sale, had you the power to do so?—We offered to supply it at 40s. for 14 years, and we retained the option, if it suited us, to go below 40s. I have no experience in manufacturing. I am simply agent for sale.

Have you got any experience as to the sale of dynamite in any other countries, such as British India, California, etc.?—I only know as a mercantile man would who takes an interest in his business what similar articles are sold for in other parts of the world.

Price of No. 1 dynamite in England.

The dynamite trade.

Do you know what dynamite No. 1, 75 per cent., sells at in England?—The dynamite business, it might be necessary to explain, is different to almost any other. The immense power of the explosive puts it under special regulations in every civilised country, and, therefore, there is not the same free trade in the manufacture and sale of dynamite as there would be, say, in candles or soap. Local conditions as to competition greatly influence the price. You cannot take a cargo of dynamite into a port, for instance, and sell it as you could any other article.

Cornish prices for dynamite.

We are aware of these facts. What is the price dynamite has been sold for during the last two years in Cornwall, or any other part of England?—In Cornwall to-day, the price, so far as I am informed, is £65 to £68 a ton. That is from 32s. 6d. to 34s. per case.

That is delivered on the mines in small quantities as required? The mines generally have no magazine there?—That is so.

While agent for Nobel's Glasgow Trust, did you ascertain at what dynamite sold in Germany?—I never inquired as to Germany.

Transvaal price of dynamite.

As a business man you would think, if dynamite sold in small quantities in Cornwall at 32s. 6d., a place like the Transvaal should have special facilities for it. There is hardly a consumer in the world like the Transvaal.—Certainly. This is certainly the biggest market for explosives in the world.

Price of detonators.

And that is why we pay the biggest price, I suppose. Do you know at what price detonators are sold at all?—Now you come to that question, I think it is not fair and reasonable I should be asked to give the information. I am an ex-director of the local explosives company. You have had the managing director before you. He is acquainted with the whole of those figures; and you should have got it from him.

He always said he was not acquainted with them. I don't want to ask you anything which might put you in an unpleasant position. Detonators are a thing of which anyone can find out the price, and I don't think you will reveal any secrets by telling us. We used to pay 3s. a box, and we now pay 4s. I would like to know the price at Home?—It is evident the 3s. leaves a profit.

Profits on sale of detonators.

Do you know anything about the building of the dynamite factory?—I don't know the ultimate cost. I retired from the company about eighteen months since.

But any factory capable of coping with the demand here?—It is a very difficult question to estimate.

Had you, formerly, experience in the dynamite business, or only since you have been connected with Nobel's? Had you any experience at Home?—No, I have been in South Africa most of my life.

Mr. *Hay*.

Sale of detonators in Johannesburg.

Is it within your knowledge, as a business man, that detonators are for sale in

Johannesburg at any place except at the agent's dynamite factory ?—As far as I know they are only procurable at the one place.

At one time permits were granted for the importation of detonators; do you know whether these permits have expired ?—I think they are all exhausted.

Permits for importation of detonators.

The representative of the factory stated these permits were still running ?—The representative of the company ought to be better acquainted with the facts than I am. I tell you what I think.

When you were a director of this company what was the method of procedure for the importation of explosives into this country ?—I think it is hardly a fair question to put to me; you have had a representative of the company here, and I have retired from the company. It would be an invidious position for me to take up.

Importation of explosives by the dynamite factory.

You say the first concession was contrary to the Convention, and to the treaty with Germany, but you have given the opinion now, that the present concession is in accordance with the Convention. In what way do you explain that ?—You may be sure we did not abandon the position until we found it was hopeless, and that is evidenced by the fact that such a large sum was paid to get into the market.

The two dynamite concessions and the Convention.

Nobel's people came into this country to assist us in getting the first concession cancelled because it was contrary to the Convention, and then they assisted to get the new contract passed.—They did no such thing.

Nobel's and the cancellation of the first dynamite concession.

Well, it is a curious thing that since the new contract was passed it is not contrary to the Convention.—Mr. Hay mistakes the position. It is evident that Nobel's offer to contract for 14 years at 40s. assisted the mines to get the original contract cancelled.

Then the question is, if somebody else came in and offered dynamite at 40s., it would be reasonable to expect that this concession should be cancelled.—I think you will find that this concession is on stronger grounds than the other. I have already pointed out the original contract was assailable.

And Nobel's have put the rope around our neck tighter than it was before ?—Certainly not. The Transvaal Government closed this market absolutely to everybody except Mr. Lippert, and the only way to get in was to make an arrangement with Mr. Lippert.

Nobel's and the second dynamite concession.

The dynamite was sold at 80s., and now the same people supply us with dynamite at 85s.—That is a subject for criticism.

Nobel's have offered to supply all the stuff which is brought into the country, and sell it at 40s. in bond; surely to-day there must be a handsome profit on selling the same article at 80s. under the same conditions.—A previous witness before the Commission pointed out that the concession has a limited period to run, and they must provide an amortisation fund to wipe off the cost of the works, which runs to a very large sum indeed.

Profits on present price of dynamite.

That all comes if they start making. I am talking about the imported stuff, which is imported under the same conditions as it was before.—They have to provide for the commission to Mr. Lippert, and the royalty to Lewis and Marks, and other charges. It is only reasonable for them to take the ordinary business precautions.

Dynamite royalties.

Did they buy over the old concession, or did they give this as a bonus on the new concession ?—They gave nothing to Mr. Lippert, you may be sure about that. The Government had a contract with Mr. Lippert, and they could only get in under Mr. Lippert's contract.

Mr. Lippert's commission.

Nobel's people put up £220,000 in cash out of £450,000, which left £230,000 as capital, for which interest is to be paid before the Government get any share of the profit at all. Can you give us any explanation why that £230,000 should exist ?—You overlook the fact that Nobel's had nothing to do with getting this monopoly, and when the company was formed these shares were given to the old concessionaires. You have

The non-paid-up shares of the S. African Explosives Company.

s got the whole particulars as to how it was made up. Nobel's came in as
d the company.

In other words, if Nobel's had not come in and found that amount of cash, and guaranteed a large amount of debenture capital, it would have been impossible to carry the company through?—It is not fair to assume such a position, because it is quite evident, as competent business men, that Nobel's would never have found all the working capital unless they saw that that was the best possible opportunity to arrange for supplying the market.

The concessionaires of the company that was floated in Paris amalgamated with Nobel's Trust?—No; as a promoter of companies yourself you can see the position.

The old company that existed in Paris for supplying this place with dynamite became absorbed in Nobel's Trust?—It was a separate company altogether.

It was a separate company, connected with the French Trust.—The old company was a French company. Europe is divided into two great trusts.

Yes, and when this was absorbed by Nobel's, it was practically taken into the trust?—That is not entirely so. I have already stated to you that Nobel's arranged to provide the working capital.

Mr. *Albu.*

The fact remains you were willing to supply dynamite at 40s., for which we now pay 85s.—We issued a printed document to every mine in the Transvaal. We did not confine ourselves to the Rand, but offered it also to Barberton.

What do they pay in Barberton to-day for what we pay 85s.?—They have to pay for transport to Barberton, and the business charges for handling it there.

We cannot assume that the price of 40s. would have left a loss?—The dynamite trade is a trade that has been described in civilised countries as a sort of business with one foot in the police court and the other in the grave, and, therefore, assuming it is such a sort of business, we look for a decent profit. It is possible we went down to a lower figure than we would under ordinary conditions.

So 40s. was a fighting tariff?—Yes.

It is wonderful that all fighting tariffs mean millions of profit to others.

Mr. *de Beer.*

During the time that you were director of the company here, was any money mad out of by-products?—We were not manufacturing up to the time I retired.

Can the by-products be used for vegetation?—Chemists say it is possible, but I of opinion that every experiment so far has been unsuccessful. I was also instru to complain to you about general taxation and import duties.

That is in the statement of the Chamber before the Commission.—I would li put in a table showing the freight, after allowing for Government imports, ra imports, and specie brought into the country, because none of these pay duties. allowing the 1½ per cent. paid on machinery, and the *ad valorem* duty paid on i coming into the Transvaal, works out at £12 15s. 11d. per cent.

Chairman.

I wish to say a few words on this point, but I do not want to cause an a said before that if a reduction is made on railway rates it will be to merchants. You say now, what has been stated several times t port duties should be reduced. I would be in favo would be to the benefit of the public in torius what proof have we i

Nobel's offer to supply No. 1 dynamite at 40s. per case to any part of the Transvaal Barberton price of dynamite.

The by-products of dynamite manufacture.

Import duties.

these recommendations to the Government that the consumer will get the profit thereof. I have been answered that competition will bring that about, but I do not believe that, because I have now found out that instead of competition, a combination exists, and consequently what the Government will lose in import duties, and what the railway will lose by giving a reduction in rates will go into the pockets of the combination, and not to the benefit of the consumer.—I think it is only fair to the trade that I should be given a chance of replying to the statement. In the first instance in the Chamber of Commerce there are over one hundred wholesale firms represented, and the competition amongst them is of the keenest nature, and I will say positively, as an active member and vice-president of the Chamber of Commerce, that there is no combination whatever for any one article or any combination of articles. The total number of merchants' licences issued during the previous year was 1,400, and it must be evident that it is impossible to make a combination, and, further, if the Chairman would be good enough to enquire from some of the members of the Commission he would find that not only are we in competition with ourselves here, but the keenest competition also exists between ourselves and the merchants of Port Elizabeth, East London, Durban, and Delagoa Bay. It is absolutely impossible to have a combination, and the Chairman has been misinformed, and, therefore, as a merchant myself engaged in business, I will assure him, and furnish him with a list of prices which can easily be checked, showing that the main items now supplied to the mines are being sold for actual cost price or below it.

Trade combination of merchants and competition.

Mr. *Albu.*

I admit that competition is very keen, not only here, but among Home merchants trading for this market.—Competition for every article is very keen.

Then what do you think you could get dynamite for if you had free trade?—I think I must be like the other dynamite witness, and say I don't know.

Free trade and the price of dynamite.

Chairman.

I thank Mr. Hosken for attending.

The Commission then concluded its public sitting, the Chairman making a closing speech, as follows:—

Gentlemen, I have heard from the secretary, with pleasure, that there are no more witnesses. I think everybody will be pleased, with me, that our labours, so far as the hearing of witnesses goes, are finished, and I think we have obtained sufficient evidence to enable us to work out satisfactorily the duty we have before us. Perhaps it has been thought that our work has been difficult and troublesome; and, perhaps, it is true, at times, monotonous, but, as for myself, I can say I have carried on this work with pleasure and ambition, because I feel, and I think the other members of the Commission feel with me, that it is a work for the good of the Republic in general. It is my duty to thank the members for their co-operation so far in public, and for the support given me as Chairman of this Commission, and I hope when we further have the several testimonies before us to draft our report and recommendations, that we shall co-operate together harmoniously, and keep in view the interests of the mining industry, and especially those of the Republic in general. I think everybody feels with me that we have a difficult task resting upon our shoulders, if we are to realise what is expected of us. I know our work will probably be submitted to criticism, but that will not prevent us acting in accordance with our honest convictions in making our report and recommendations on the work for which the Government has placed us here. It is also my duty to thank Mr. Bosch, the interpreter, with whose work I may say I am satisfied. I think it is also my duty to take

Sufficiency of evidence.

Report of Commission.

this opportunity to mention the reporters of the different newspapers, who, from first day to the last, have attended our meetings, for the quiet way in which t have done their work, and for the faithful application they have shown. I think public in general, both inside and outside this country, owes a great debt of gratit for the reports given by them, and I may say their chiefs ought to give thei holiday and a bonus.

Mr. *Joubert.*

Chairman of Commission thanked.

Unanimous report desirable.

I only want to thank our Chairman for the able manner in which he conducted our meetings, and I hope the result of this Commission will be a weigh the scale in which many questions will be solved. For myself, as Minister of Mi I have obtained very useful information during the session. I myself have pert the newspapers, and, as far as I have seen, the reporters have done their w impartially and well. I hope that as the result of the Commission our report wil unanimous, and that it will do good for the mining industry.

ꞮEPORT OF THE COMMISSION.

His Honour the State President and the Honourable Members of the Executive Council of the South African Republic:—

Letter of the Commission to the State President and Executive Council.

In submitting the joint report of the Commission, the undersigned desire to draw tention to the following:

As advisory members, the Government appointed Messrs. EDMOND BROCHON, BRAKHAN, and J. M. PIERCE, but your Commission deemed it advisable, with the nction of the Government, to add Messrs. JAMES HAY and GEORGE ALBU to the ove list.

All these gentlemen kindly consented to assist us in our onerous duties, and unservedly placed their services at our command. Your Commission would be failing courtesy were they to neglect this opportunity of expressing their keen appreciaon of the services rendered by the Advisory Committee.

As men of ability and experience, their advice on matters local and technical aterially assisted your Commission to grasp the situation, and it is with great tisfaction that we commend the zeal and interest displayed by them throughout the oceedings.—We have the honour to be, honoured sirs, your obedient servants, gned) SCHALK W. BURGER (Chairman), CHRISTIAAN J. JOUBERT, J. S. SMIT, THOS. 'GO, J. F. DE BEER, A. SCHMITZ-DUMONT.

His Honour the State President and the Honourable Members of the Executive Council, South African Republic.

Report of the Commission.

HONOURABLE SIRS,—In accordance with your instructions contained in your 's addressed to the members of this Commission, dated April 5, 1897, your Comon have the honour to report as follows:—

)n April 13th last your Commission initiated proceedings at Pretoria, and, after g been engaged there for a few days in arranging preliminary matters in con- n with the inquiry, your Commission decided to proceed to Johannesburg to their investigations. On April 20th the inquiry commenced at Johannesburg, ur Commission deemed it to the interest of all concerned that the proceedings be public, and to give the same the widest publicity.

marily, your Commission set themselves the task of instituting minute and investigation with regard to the depression in matters connected with the industry, and ascertained that during the year 1896 there were one hundred ıty-three mines within the State, whereof seventy-nine produced gold to an ınd value of £8,603,831.

The present depression.

remaining one hundred and four mines yielded no gold, most of this number a state of development and equipment, while only twenty-five companies lividends—to an amount of £1,718,781.

For various reasons some mines have temporarily ceased operations. The so many mines not paying dividends is principally ascribed to the high rate of roduction.

There are various other causes that have contributed to the existing condition of hings, but, though mistakes have been made in the past, your Commission are pleased to state that at present there exist all the indications of an honest administration, and the State, as well as the mining industry, must be congratulated upon the fact that most of the mines are controlled and directed by financial and practical men, who devote their time, energy, and knowledge to the mining industry, and who have not only introduced the most up-to-date machinery and mining appliances, but also the greatest perfection of method and process known to science. But for these, a good many of the mines now producing gold would not have reached that stage.

The extensive and voluminous evidence, as also the carefully-prepared statistics in connection therewith annexed to this Report, prove the colossal extent of the mining industry within the State. The figures, plans, calculations, specifications, etc. are very interesting and exhaustive, and calculated to provide the thoughtful reader with much material for contemplation. And it will further be patent from that that the financial, economical, and political relations are very intricate.

Your Commission therefore feel the weight and responsibility of the great task imposed upon them, but, strengthened by a sense of confidence that their efforts to arrive at a satisfactory solution of the different problems may meet with your approval and support, they have undertaken that duty agreeably at your request by carefully entering into all the details of the position and investigating the same.

The problem cannot be solved by probing the past of some mines. We know that there are some mines where the gold reefs only exist in the imagination of the promoters, and it can safely be submitted that these mines will not pay, even were coal and dynamite delivered free of charge at the mines. Neither does the question of over-speculation or over-capitalisation affect the case.

As has already been shown, there are only twenty-five companies which have declared a dividend out of their profits. The rest work with a very small profit, and in many cases, do not cover the cost of production. The problem to be solved is: What must be done to reduce the cost of production, so as to leave a margin of profit upon the article produced? And this is a problem apart from any complications between the Government and nationalities. A company might be over-capitalised, but the cost of mining property is in no way affected thereby.

It is within the knowledge of your Commission that the costs of working a mine may be averaged at £10,000 per month, and equipment and development from £200,000 to £500,000 per mine. Taking this average of £10,000 per month, and considering that under existing conditions 100 mines will have to close down, in that case an annual amount of £12,000,000 will be taken out of circulation, with results too disastrous to contemplate. To avoid such a calamity your Commission are of opinion that it is the duty of the Government to co-operate with the mining industry and to devise means in order to make it possible for lower-grade mines to work at a profit, and generally to lighten the burdens of the mining industry. This and the development and equipment of new mines are a few examples among many others where it is desirable that the Government shall take an active part; especially when the fact is taken into consideration that up till now the mining industry must be held as the financial basis, support and mainstay of the State.

The question, therefore, becoming one of national economy, it is incumbent upon ment, considering the rapid growth and progress of the country, to so alter

ity of
ques-

gus flotations.

Over-specula-
tion and over-
capitalisation.

Working costs.

Mining industry
is financial
mainstay

its fiscal laws and systems of administration as to meet the requirements of its principal industry.

A close scrutiny of the combined report of the Chamber of Mines and Mercantile Association proves that the commercial interests and those of the mining industry are so interwoven that it is hardly possible to separate the one from the other, and all economical measures with regard to taxation, freight, etc., apply to both. Commerce dependent on mining industry.

Your Commission think that, with the natural facilities for agriculture, that industry ought to be greatly encouraged. The consequence would be that the development of this industry would materially reduce the cost of living, which would have an immediate and beneficial effect on the price of labour. Agriculture.

It is a fact much to be regretted that the advance of agriculture is not proportionate with that of the mining industry and the general growth and progress of the country, and it is therefore very necessary to establish an Agricultural Department, and for the Government to take active measures to promote the interests of the industry by assisting where such is feasible, and to have it conducted on the most improved modern principles as practised in other parts of the world. An agricultural department.

In submitting to the Government a scheme for reducing the burdens of the mining industry, it is naturally to be expected that the latter will also practise economy in every department. Judging from the recent events and by the persistent manner in which the mines have reduced, and are further trying to reduce, the working costs, your Commission have no doubt that the mines, after so far having taken the initiative, will act responsively to any economic measure the Government may think proper to introduce.

Your Commission entirely disapprove of concessions, through which the industrial prosperity of the country is hampered. Such might have been expedient in the past, but the country has now arrived at a state of development that will only admit of free competition according to republican principles. This applies more especially to the gold industry, that has to face its own economical problems without being further burdened with concessions that are irksome and injurious to the industry, and will always remain a source of irritation and dissatisfaction. Concessions.

Throughout the inquiry, it was clear to your Commission that the question of labour was a most vital one for the mines, and, seeing that the cost of labour amounted to from 50 to 60 per cent. of the production cost, your Commission are of opinion that the labour question ought to take precedence in their report. Not only in this Republic, but in most countries all over the world, the labour question is a most difficult one to deal with. It still remains a subject for discussion, notwithstanding that the most renowned and eminent politicians and statesmen have tried to solve the question. A universal combination of circumstances in this country renders the solution still more difficult, and from the evidence to be laid before you it will be apparent how complicated the question is. Labour.

To begin with white labour, your Commission would strongly recommend that all measures should be taken by which the cost of living at the mines may be reduced as much as possible. Judging superficially, and taking into consideration the wages paid by the mining companies in other parts of the world, and the evidence on the subject submitted to your Commission, it would appear as if wages paid here are too high, but, taking all the circumstances into consideration, the contrary is apparent. It must be taken as a fact that no skilled labourer can or will work for a salary or wage less than will enable him to support himself and his family. White labour. Reduction of cost of living. White wages.

According to evidence, a miner earns from £18 to £30 sterling per month, according to ability, and your Commission are of opinion that these wages are not excessive, taking into consideration the high cost of living at the mines. In fact, they are only

sufficient to satisfy daily wants, and, consequently, it cannot be expected that white labourers will establish their permanent abode in this Republic unless conditions are made by which their position will be ameliorated.

Wages, salaries, and directors' fees.

Your Commission wish to recommend that in future all companies shall keep their accounts in such a manner that it will clearly appear what proportion of wages, salaries and remuneration is paid to white labourers, and what to directors, secretaries, clerks, engineers, etc., because at present all these are brought into one account, and it would consequently appear as if the average wage paid to miners is higher than really is the case.

Miners' quarters.

Your Commission further wish to recommend that the companies should build dwelling-houses for white labourers, which is already done by some of the companies, and should let those at a rental equivalent to a reasonable interest on capital expended. This would mean a considerable improvement in the condition of living of those miners.

The Master and Servants Act.

Your Commission further recommend that the law with regard to master and servant, as existing at present, be modified so that all contracts entered into in Europe and elsewhere, between employers and employees, would be legalised here by simple registration, and would not, as hitherto, require a confirmation of the contract by parties before a Landdrost or Mining Commissioner before becoming of effect here. It would be necessary to provide that such a contract must be reasonable as regards the labourer. Further, this law ought to define the responsibility of the master to a servant in case of accident, and, further, that neither master nor servant can make a contract contrary to any provision of such law.

Employers' liability.

Import duty on foodstuffs.

Your Commission are of opinion that as long as the cost of living is not considerably reduced it would be almost impossible to reduce the wages of white labourers, and they would strongly recommend that, as far as possible, necessaries of life should be imported free of import duty and conveyed to the mines as cheaply as possible.

Encouragement of industries.

Your Commission further consider that it will be desirable to encourage other industries besides the mining industry, which will also tend to procure employment for white labourers.

Native labour.

Native labour is one of the most difficult questions before your Commission. It will be necessary to discuss three points, viz:—

From where must the industry draw its supply?

What supply can be obtained?

And at what wages?

In reply to the first point, it appears to your Commission, that the chief supply must come from the East Coast (Portuguese territory), and it is desirable to recommend to the Government to enter into correspondence with the Portuguese authorities, in order to facilitate the supply as much as possible. Further, a great many natives can be got from within the boundaries of the Republic if sufficient inducement be offered, and your Commission propose that the inducement will be best offered by paying premiums to kaffir chiefs for the supply of labourers, and by the reduction of the fare for kaffirs per railway to one-third of that now charged, the difference to be recovered from them on the return journey. It must be borne in mind that the present requirement of the Witwatersrand mines is 70,000 black labourers, while within the next three years this number will be increased to at least 100,000, on account of the development of the deep-level mines.

Reduction of cost of transport of natives.

While mentioning the subject of correspondence with the Portuguese government, your Commission are of opinion that correspondence with all South African States would be desirable, in order once and for all to place the question of black labour on a sound basis. Should the Government be successful in coming to an understanding with

the different Colonies and States on this point, the question of reduction of wages will be a natural consequence.

As regards the supply of natives from within the boundaries of this Republic, your Commission recommend that the Native Commissioners should receive extra payment in cases where they are obliged to undertake journeys to interview kaffir chiefs to obtain labourers from them; that such kaffirs be conducted to the mines under supervision, and that it would be desirable to erect along the roads at distances of 18 miles apart, except where there is a railway, compounds, where the kaffirs can sleep and obtain food. Your Commission recommend that the latter measure should be entirely under Government control. Government co-operation for supply of native labour from within the Republic required.

Your Commission cannot recommend any measure which would be equivalent to forced labour, neither can they recommend the imposition of a higher tax upon the kaffirs.

Much has been said about the desirability of establishing locations for kaffirs close to the Rand, but your Commission cannot at all recommend this course. Experience has taught that the establishment of locations does not improve the kaffirs in any way, but only tends to their deterioration. As soon as the kaffir with his family lives in a location, his highest aim in life is to see his wife and children work while he himself looks on. Locations.

Your Commission has thought it desirable to consider the liquor traffic also in their Report, because they are of opinion that it directly affects the mining industry. It must be remembered that the liquor traffic, together with the import duties and licences in connection with the same, contributes to the revenue of the State. The liquor traffic

It has been proved to your Commission that the Liquor Law, No. 17, 1896, is not carried out properly, and that the mining industry has real grievances in connection therewith, owing to the illicit sale of strong drink to the natives at the mines, and they wish especially and strongly to insist that the stipulations of Article 16 of the law shall be strictly enforced. The evidence given on this point proves that a miserable state of affairs exists, and a much stronger application of the law is required. Maladministration of Liquor Law.

Your Commission recommend:

(a) That all licences for boarding houses for white people at the mines shall in future be only issued by the Commission for liquor licences and licensing boards. Suggestions for better regulation of the liquor traffic.

(b) More police, and a better system of supervision at the mines.

(c) That, where any unlicensed person is convicted of selling strong drink to natives, at the mines or elsewhere, the only punishment to be inflicted shall be imprisonment.

Your Commission are in favour of the strict carrying out of this law, but have found that it is in some respects too drastic.

For instance, Article 17 of the law stipulates that four licences will be granted for a population of 500 persons, and, for every additional 400, only one more licence. (Under this Article is meant 500 male persons over sixteen years of age). There would be no objection against such a stipulation, as such is more or less the system in other civilised countries, but such a stipulation ought to have been initiated when the towns and villages close to the mines were originally established.

It appears from statistics submitted that at present there are in Johannesburg the following licensed liquor dealers:—*(a)* wholesale dealers, 49; *(b)* bottle stores, 56; *(c)* canteens (bars), 305; *(d)* roadside inns, 5; *(e)* beer halls, 23; total 438. Liquor licences in the Johannesburg district.

Letter "*c*" includes 112 hotel licences. Supposing that Article 17 were to be strictly applied, and assuming that Johannesburg and mines in the neighbourhood

have a male population over sixteen years of age of 35,500, the Licensing Board can only issue 88 licences; and 350 licences will have to be refused.

Wholesale abolition of liquor licences disapproved.

From a financial point of view this would entail very serious consequences for the State, because the liquor licences, and the large amount paid for import duties of liquor, which form a large proportion of the revenue of the State, might then be considerably diminished. But leaving this out of the question, and assuming that the Government would accept this loss, trade would be seriously affected by the closing of 350 places of business; and large numbers of people who are interested in the trade, and who have invested their entire capital in the liquor business, under the law then existing, would be entirely ruined.

Reduction of liquor licenses.

It is certainly desirable that the number of licences shall be reduced, but this should not be done in such a peremptory manner: gradually, and as opportunity offers, these reductions can be effected. Article 17 of said law stipulates that licences will be granted according to the population of any ward.

Suburbs such as Doornfontein, Hillbrow, Hospital Hill, etc., are only used for residential purposes, and up to the present the inhabitants have been able to successfully oppose the opening of canteens there, by protesting and other means. The inhabitants of these suburbs generally have their places of business in the city, and remain there during the day—hence the many bars in Commissioner Street, which street must be considered as the centre of the town, from a business, as well as from a geographical point of view. It must also be remembered that, when the bars at the mines are closed, numbers of people living there will make use of the bars in town.

Wholesale liquor and commercial licenses.

Notwithstanding the Second Volksraad resolution, Article 122, D.D. 14, 597, and First Volksraad resolution, Article 112 D.D. 17, 597, your Commission consider that wholesale licences for the sale of liquor, as well as licences for bottle stores, can be considered as usual trade licences, although under the control of the Licensing Board.

Transfer of liquor licenses.

Generally, whenever a licensed liquor dealer is convicted for breaking the law, he transfers his licence to somebody else, who continues the illicit sale of liquor. It is, consequently, desirable that in future a licence for the sale of liquor shall be granted to a particular house, and not to any individual. Permits for the keeping open of bars after nine p.m. ought to be issued only by the Licensing Board, because this is one of the duties of that body, and does not fall under the jurisdiction of any judicial official.

Kaffir eating houses.

No licence ought to be granted for kaffir eating-houses at the mines, because the necessity for them does not exist, and they only afford the opportunity to certain persons to continue the iniquitous sale of liquor to natives at the mines.

Your Commission disapprove of the payment of a portion of the fines to the informer, policeman or detective, because this not only puts a premium on crime, but the informer, influenced by greed, puts the accused in a position which, without trapping, he would not have occupied. It is not the intention of your Commission to deal with the Liquor Law in its entirety, and they have consequently only referred to certain points which, in their opinion, require modification in the interests of the trade and the mining industry.

Your Commission further recommend that all excise officials shall be under the control of the Licensing Boards of the different districts, and that the Licensing Boards shall have special detectives and inspectors under their control.

Transit dues.

The transit duties are unfair, and ought to be abolished. Yearly, an amount of £600,000 is paid by this Republic to the neighbouring States (Orange Free State excepted). It may be argued from the other side that heavy expenses have been made to construct docks and warehouses, but against this can be urged that the consignors and consignees are charged heavy dock fees, which, if carefully calculated, amply

repay the expenses. The authority of your Commission for the figures quoted is Mr. Wiener, member of the Cape Parliament and chairman of the United Chambers of Commerce of South Africa, and your Commission are of opinion that statistics from such a source can be taken to be reliable. Your Commission recommend that negotiations shall be entered into with the interested colonies to have those transit duties abolished, but before doing so wish to recommend that the Government of this Republic shall abolish the transit duties on goods to the North, as at present levied.

With reference to the importation of foodstuffs, your Commission can only recommend that, if possible, foodstuffs ought to be entirely free from taxation, as at the present moment it is impossible to supply the population of the Republic from the products of local agriculture, and consequently importation is absolutely necessary. Import duty on foodstuffs.

Before entering on the subject of explosives, we wish to put on record our disappointment with the evidence tendered on behalf of the South African Explosives Co., Limited. We expected, and we think not unreasonably, that they would be able to give reliable information for our guidance respecting the cost of importation, as well as of local manufacture, of the principal explosives used for mining purposes; but, though persistently questioned on these points, few facts were elicited, and we regret to say they entirely failed to satisfy us in this important respect. South African Explosives Company.

The importance of a cheap supply of all necessaries required for mining purposes, in order to ensure success, is perhaps too obvious to need repeating, but we may mention that the one item most frequently referred to by witnesses in this connection was the cost of the explosives.

It has, we consider, been clearly proved that the price paid by the mines for explosives of all kinds is unreasonably high, having due regard to original cost and expenses of delivery in the South African Republic, and in our opinion a considerable reduction should be made. Cost of explosives.

In making recommendations with this object in view, it must be stated, at the outset, that the main difficulty in dealing with the question arises from the existence of the contract, by means of which the monopolists are able to maintain the high price, in spite of the fact that the manufactured article is mostly obtained by them in Europe at a very much lower cost. Consequently, the advantages which the Government intended to confer upon the country by establishing a new industry here, have not been realised, whilst the monopoly has proved a serious burden on the mining industry.

That the principal explosives used here (blasting gelatine, and, to a small extent, dynamite) can be purchased in Europe, and delivered here at a price far below the present cost to the mines, has been proved to us by the evidence of many witnesses competent to speak on the subject, and when we bear in mind that the excess charge of 40s. to 45s. per case does not benefit the State, but serves to enrich individuals for the most part resident in Europe, the injustice of such a tax on the staple industry becomes more apparent, and demands immediate removal.

It has been proved that the South African Republic is one of the largest, if not the largest, consumer of explosives in the world, and, according to the rule of commerce in such cases, it is reasonable to suppose that the most advantageous terms would be secured for so large a consumer. This, no doubt, would be the case were it not for the monopoly now in the hands of the South African Explosives Company, whereby they and their friends make enormous profits at the expense of the mining industry. These profits have been estimated by the Volksraad Dynamite Commission at no less than £580,000 for the years 1897 and 1898, being £2 per case on 290,000 cases, the number which it is estimated would have to be imported to meet the demands for Profits on present price of dynamite. Report of Volksraad Dynamite Commission.

those years. It is thus clear that the hope of establishing a factory capable of supplying the requirements of the mines, within a reasonable time, from the products of the country, is far from being realised.

Price of imported No. 1 dynamite.

From the evidence of witnesses other than the Explosives Company, we are bound to believe that dynamite No. 1, containing 75 per cent. of nitro-glycerine, can be delivered free on board at Hamburg at 23s. 6d. per case of 50 lbs., the costs of bringing it to Johannesburg being about 14s. additional. The managing director of the company, however, has since stated that Nobel's invoice it to them at 29s. 6d. free on board in Hamburg, but the difference is not essential to the point we have to deal with here.

This explosive, whether costing 23s. 6d. or 29s. 6d. in Hamburg, is supplied to the mines at 85s. per case, showing a profit of 47s. 6d. in one case, and 41s. 6d. in the other, of which this Government receives 5s. per case. That this is a reasonable estimate is supported by the report of the Volksraad Dynamite Commission, who state that the company makes a profit of £2 per case on imported dynamite, and further by the evidence of a former agent of Nobel's Dynamite Trust, whose statement was to the effect that he made an offer on behalf of Nobel's to deliver dynamite *ex* magazine on the Rand at 40s. per case, of 50 lbs., excluding duty, and this at a time when it had to be brought a considerable distance by ox-wagons.

Nobel's offer.

Profits of South African Explosives Co. on imported gelatine.

In the case of blasting gelatine, which is now more largely used than No. 1 dynamite, the margin of profit made by the company at the expense of the mines is far greater. The evidence led in favour of the company is that the cost is 43s. 6d. per case free on board in Hamburg, the freight, etc., to Johannesburg being about 14s. per case. Therefore, by the company's own showing, the difference in price in Europe between blasting gelatine and dynamite No. 1 is 14s. per case (43s. 6d. and 29s. 6d.), whilst the charges for bringing the articles into the South African Republic are the same. Seeing that the company charges the mines for blasting gelatine 22s. 6d over and above the price of dynamite No. 1 (namely, 107s. 6d. as against 85s.), it is evident that the profit falling to the company is still larger. Other evidence laid before your Commission gives the difference in cost of blasting gelatine and dynamite at only 7s. to 10s. per case.

The mining industry has thus to bear a burden which does not enrich the State or bring any benefit in return, and this fact must always prove a source of irritation and annoyance to those who, while willing to contribute to just taxation for the general good, cannot acquiesce in an impost of the nature complained of. The importance of this to the mining industry may be gathered from the fact that explosives have been shown to average 9 per cent. of the total working cost, but for the development work the percentage is a higher one.

Average percentage of cost of explosives to working costs.

Visit to the dynamite factory

On June 4, 1897, your Commission inspected the factory at Modderfontein, and it must be admitted that the construction of the works and general equipment are in many respects admirable, and it appeared to us greatly to be regretted that so much money should have been invested in an undertaking for the manufacture of any article whereof the ingredients have to be imported at a great cost, four tons of raw material being required to produce one ton of the manufactured article.

Dynamite ingredients; where found.

It has been proved to our satisfaction that none of the raw material used is found in this country, or only in such small quantities as to make it practically valueless for the purpose required; and the coal consumed, although obtained here, is 40 to 50 per cent. dearer than that delivered at factories in Europe. We understand experiments have been made with the object of manufacturing sulphuric acid from materials produced here, but these efforts to use the products of the country are still in the experimental stage. Labour of the kind required is three or four times more

pensive than, for instance, labour in Germany, while the excessive cost of transport mpels the use of materials unnecessarily dear. There is also no market here for the r-products, which in Europe have considerable commercial value, thus further creasing the cost of the manufactured articles. All these drawbacks, which make almost impossible to establish a *bona fide* industry, fall on the mines, and render eir task, especially that of the low-grade mines, extremely difficult and disuraging. The desirability of establishing industries of all kinds within the Reblic cannot for a moment be doubted; but when it is proposed to establish an tificial industry, whose only chance of success lies in the extent to which it may be lowed to unduly profit from, instead of benefiting a natural and more important terprise, the economic fallacy of the proposition becomes sufficiently clear to need tle further demonstration. Another point that has been brought to the notice of ur Commission is the prejudicial effect exercised by this monopoly in practically cluding from the country all new inventions in connection with explosives, and, in ew of the numerous dynamite accidents that have taken place from time to time, it to be regretted that it is not possible to make satisfactory trials of other and less ngerous explosives for the working of mines. These questions have received the reful consideration of your Commission, who are forced to the conclusion that the ctory has not attained the object for which it was established, and that there is no asonable prospect of its doing so. Further, that there are good grounds for lieving that the contractors have failed to comply with the conditions of their ntract, which require them to establish, complete, and bring into operation, on or fore April 24, 1896, one or more factories for the manufacture of dynamite and her explosives, of such nature and quality, and of such quantity, as the requirements d demands within the South African Republic shall necessitate.

For the aforesaid reasons, and in view of the opinion expressed by the Volksraad ynamite Commission, that the legal position of the Government against the contracts is undoubtedly strong, your Commission desire to recommend that the case be aced in the hands of the legal advisers of the State, with a view to ascertaining hether the contract can be cancelled.

Cancellation of the dynamite monopoly.

Meanwhile, your Commission recommend that the Government avail itself forthith of its right, under Article 15 of the Regulations, namely:—

Free trade in explosives.

> The Government will reserve for itself the right, when the interests of the State render it necessary, to take away the agency of trading in gunpowder, dynamite, cartridges, and other explosive stuffs from the above-mentioned persons, etc., and at once take into its own hands the importation of dynamite and other explosives for the benefit of the mining industry, subject to a duty of not more than 20s. per case or such other less sum as may be determined on from time to time.

This protective duty, while considerably increasing the revenue of the State, ould at the same time afford ample protection to any industry of this description in e Republic. In the event of cancellation being advised to be possible, free trade in plosives to be at once established, subject to a duty of 20s. per case, or such other s duty as may be determined upon from time to time, and manufacturing of other plosives in the Republic to be allowed, and also to be protected by the same import ity.

Your Commission are of opinion that effective free trade will be in no wise pardised by the existence of any "ring" or combination for the sale of explosives in rope.

Your Commission further wish to recommend the free importation of detonators.

State's share of profits of South African Explosives Company

Your Commission desire further to observe that it is not clear to them, judging from the published accounts of the South African Explosives Company for 1895 and 1896, that the Government receives the proportion of surplus profit secured to it under the contract, namely, 20 per cent., and would strongly recommend, in accordance with Article 6 of the contract, an immediate investigation of the company's accounts by qualified accountants, in conjunction with the financial adviser of the Commission, in order to find out what amount is still due to the Government under this head, and further to cause inquiry to be made about the quantity of cases of blasting material, gelatine and dynamite imported during 1896-97.

Railway rates.

Your Commission have followed, with great attention and interest, the evidence and statistics submitted under the head of railway rates. From those it appears that not only are the tariffs charged by the N.Z.A.S.M. such that, in the event of their being reduced the industry would be considerably benefited, while such a reduction would not only be fair, but necessitate that the neighbouring States and Colonies would have to reduce their tariffs considerably. It does not lie within the scope of the labours of this Commission to enter into the application of the tariffs at present existing and charged by the N.Z.A.S.M., because this would require a technical knowledge of railway matters which your Commission had neither the power nor opportunity to gain.

Reduction of railway rates.

Your Commission have come to the conclusion that, taking into consideration the evidence submitted to them, and taking the gross revenue of traffic of goods at about £2,000,000 (as in 1896), it would be desirable to recommend so to regulate the tariff for the carriage of goods that the gross revenue for goods traffic for 1896, would have been reduced by £500,000, equivalent to an average reduction of 25 per cent.

Further, your Commission deem it desirable that the Government shall make such an arrangement as will secure to them in the future a voice in the fixing of the tariffs of the N.Z.A.S.M., and express their confidence that, as soon as prosperous times shall warrant such a course, a further reduction in tariffs shall be effected.

Your Commission wish to recommend that the reduction shall be chiefly applied to the carriage of coal, timber, mining machinery, and foodstuffs, according to a scale to be agreed upon between the Government and the N.Z.A.S.M.

Your Commission are of opinion that in this manner the industry will be met in a very fair way.

Your Commission wish to express their opinion that it is absolutely necessary that the reduction in all tariffs shall be brought about as speedily as possible, while they express the hope that, where the co-operation of the neighbouring States and Colonies is required, negotiations will be initiated and carried out so speedily that the reduction to be so initiated shall come into force not later than the 1st of January next.

Expropriation of railway.

Several witnesses and some of the members of the Commission have urged the expropriation of the N.Z.A.S.M. by the Government. Your Commission, however, for several reasons known to them, and after the same have been communicated to those members of the Commission who wished to urge expropriation of the N.Z.A.S.M., do not at the present moment desire to urge expropriation, provided by other means terms can be secured from the company, so as to obtain the reduction at present urgently required, on the basis as above set forth.

Your Commission have been informed that the company have promised to the Government to adopt the dividend of the three years—1895, 1896, and 1897—as the basis for the expropriation price, and your Commission can agree to such a proposal. The expropriation price being fixed, the company will have all the more reason to co-operate towards the lowering of the tariffs.

Further, it appears from the evidence of the managing director of the N.Z.A.S.M. at, in consideration of the reduction of tariffs, he wished to have secured to the mpany a certain period of existence. Your Commission cannot recommend this urse, because they do not deem the same to be in the interests of the State, and it ould be contrary to the wishes of the public.

Reduction of railway rates on all South African lines.

Your Commission further wish to recommend that the Government shall take easures to effect an alteration as speedily as possible in the railway tariffs of the ighbouring States and Colonies, so as to place them on a reasonable basis. From e evidence and statistics submitted to your Commission, it appears that the neighuring States and Colonies have made very large profits out of their railway traffic, d it is only fair to expect that they will understand the desirability of a considerle reduction.

Railway rates on coal.

Before leaving the subject of the reduction of tariffs, your Commission want to mark that the tariff for coal traffic ought to command the largest reduction. Your ommission have further found that the mining industry have real complaints about e few facilities given by the company in delivery of coal and goods in general, and ur Commission are of opinion that every measure ought to be taken in order to cilitate such delivery.

Delivery of goods on Netherlands Railway.

Elandsfontein-Roodepoort line.

Your Commission recommend that a line of railway shall be constructed to the uth of the main reef, between Boksburg and Krugersdorp, specially intended for the rrying of coal, and that to the different companies leave should be granted to conuct sidings from that line and other lines to their mines, with permission to employ eam power, after approval of the plans by the Government Commissioner of Railays. This will do away with the objection at present existing against the payment the detention of coal trucks, and the expenses connected therewith.

Charges for demurrage, shunting, &c.

Your Commission further wish to recommend that it will be desirable to relieve riffs for coal traffic of every and any petty charges which are at present charged for ick-hire, shunting, detention, etc.

Special railway wagons.

Your Commission further recommend that the company shall, as soon as possible, ovide a quantity of proper coal trucks, by which coal can be carried in bulk, and by ich the unnecessary expense of bags will be obviated.

Agriculture.

Finally, your Commission are of opinion that the greatest facilities ought to be anted for the transport of all agricultural produce at lowest prices, and, if required, by ght trains to the principal markets of the Republic. It cannot be questioned that erything ought to be done to encourage agriculture and stock-breeding in the public. There is no reason why milk and other perishable articles cannot be loaded night at any station of the N.Z.A.S.M., and delivered in time for the markets. As argument against this it might be said that, at the present moment, a very small antity of such produce would be offered for transport; but your Commission consider at, if the opportunity were afforded, probably an important industry in these articles ould be created.

Transport of natives.

Your Commission wish to refer to what has already been said about the carrying rail of kaffir labourers, whereby it is proposed to charge for kaffir or coloured our travelling to the mines one-third of the usual fare, and to recover the balance m them on the return journey.

Further, your Commission deem it of the greatest importance that measures should taken by which all South African railway companies shall carry passengers and ods throughout South Africa under uniform conditions.

Gold thefts.

According to the evidence submitted to your Commission, gold thefts are on the rease, and, although the Volksraad have given the matter their favourable consideran, and have, at the instance of the mining industry, so amended the Gold Law as to

provide for punishment for the sale, and the being in possession of, raw gold, still, it has been stated to your Commission in evidence that the gold thefts amount to about 10 per cent. of the output, equivalent to an amount of £750,000 per annum. It follows that the administration of the law must be faulty, because there are only a very few instances where the crime has been detected and punished. If these figures are not exaggerated, and your Commission have no reason to suppose so, then this matter deserves the serious consideration of the Government.

The suppression of this crime can be considered as a real saving to the industry, and this amount of three-quarters of a million would, especially in times of depression, exercise a large influence on the yield and financial position of the mines. The industry ask that the penal clauses regarding this matter shall be eliminated from the Gold Law, and that a separate law be passed, more or less on the basis of the I.D.B. Law of Kimberley, Cape Colony; and that measures shall be taken by which the injured parties shall be enabled to exercise control, and have supervision over any department to be established for the detection and suppression of thefts of raw gold. Your Commission are of opinion that the Government could grant this request without injuring their dignity, on the basis hereafter mentioned; on the contrary, it would remove the blame from the present administration, viz., that these thefts can be practically carried on with impunity.

Remedies for gold thefts.

Pass Law.

As regards the Pass Law, your Commission have obtained very important evidence from Mr. Kock, the Chief of the Johannesburg Pass Department, and they desire to refer you to his report, from which it appears that certain alterations are desirable, although what is really required with regard to this law is that it should be applied more stringently.

Administration of Pass Law to be given to Superintendent of Natives.

The Honourable Government will find later on in this report, a recommendation in which it is suggested that the carrying out of the Pass Law be placed under the control of a local Board on the Goldfields, and your Commission desire further to recommend that the whole of the administration of this law be placed under the control of the Superintendent of Natives, instead of the Minister of Mines, as is at present the case.

It is far from the Commission to, in any way, blame the Mining Department for the inferior carrying out of the law until now. But should Government take into consideration the suggestions made by your Commission with regard to the supply of native labour, mentioned under that head in this report, the object of your Commission in making this suggestion will be obvious, and it is also impossible for two departments to be engaged with the carrying out of one law.

Local Board.

The evidence given before your Commission has suggested the advisability of appointing a Board or Commission in Johannesburg, to be composed of members appointed by the Government, representatives of the mining industry, and commercial firms of the Witwatersrand, in order that the Government members may benefit by the experience of men who are daily occupied in the careful consideration of all matters appertaining to mining. Your Commission are of opinion that it is advisable that effect should be given to this recommendation. The objects of this Commission would be the supervision of the administration of the following laws: Liquor Law, as far as the proclaimed goldfields are concerned; the Pass Law, and law regarding gold thefts; and, further, they would have an advisory vote as regards the supply of natives to the mines, concerning which your Commission have already advised the Government as to what steps should be taken. The districts under the supervision of this Board or Commission ought to include Heidelberg, the Witwatersrand, Klerksdorp and other goldfields, as may appear essential.

Your Commission suggest that this Board or Commission shall consist of five members to be appointed by the Government, and of four members to be deputed by the following bodies, subject to the approval of the Government, namely, one delegate from the Chamber of Mines, one from the Association of Mines, or, in the event of these two bodies amalgamating, two delegates from the joint Chamber, one delegate from the Mine Managers' Association, and one delegate from the merchants of Johannesburg. Special detective force.

Your Commission would recommend that a special detective force be placed under this department, the duties of the members of which shall be the tracing of contraveners of the above-mentioned laws, and then the prosecution of them in the usual manner. It shall also be within the province of this Board or Commission to report to the Government any neglect on the part of the officials who are charged with the carrying out of the above-mentioned laws. The Board or Commission shall also report to the Executive Council upon the good or bad working of the above laws, and recommend alterations if necessary. It shall naturally be clearly stipulated that the power to be given to the Board or Commission shall in no way encroach upon the working of the Mining Department or of the Licensing Boards, but they shall work in unison with them.

We would also advance as another reason in favour of the establishment of such a Board that the Government will be able to depute to them the reception of deputations regarding mining complaints, for them to hear and investigate such complaints and submit them to the Government, together with their opinions upon them. Thereby much time would be saved.

Your Commission would suggest to the Government that this Board be brought into existence as soon as possible, and that they should draw up regulations and submit them to the Government for ratification.

Under the heading of the duty on cement, your Commission merely desire to state that the import duty of 12s. 6d. per cask appears to be altogether too high. Apart from this, the heavy transport rate on such a heavy article as cement causes in itself the price to be so high that it ought to be exceedingly easy for any local industry to compete. Duty on cement.

Your Commission recommends, therefore, that the special duty on cement should be abolished as soon as possible.

It has been clearly proven to your Commission that the concession granted for the supply of machine-made bricks is generally injurious to the inhabitants of the Republic. For this reason, your Commission recommend that steps be taken, as soon as possible, to relieve the inhabitants of the Republic from this undesirable monopoly. Brick-making concession.

Evidence has been given before your Commission that the sweepstakes and other forms of betting held in the betting circles in the Republic have a very injurious effect upon trade, and are especially injurious to the youth of this Republic. Sweepstakes.

Your Commission are aware that this question is already before the Raad for consideration, and can, therefore, only give expression to the hope that that body will proceed to alter the law in such a manner that the holding of all sweepstakes and other forms of betting will be prohibited.

Before concluding their report, your Commission must express the greatest satisfaction at the manner in which witnesses have appeared at the request of your Commission. It would be invidious to mention some names when there are so many who, at a great sacrifice of time, have devoted themselves to a careful compilation of facts and figures, than which no more interesting or exhaustive statements of the local mining industry have ever been laid before the public. Witnesses thanked.

At the request of your Commission, representatives from Barberton and Klerks-

dorp came to Pretoria to give evidence, and the public spirit displayed by these gentlemen in coming all that distance to represent the interests of their respective communities deserves the greatest praise.

It must be mentioned here that the interests of the aforesaid mining communities are identical with those of the Witwatersrand goldfields, and any benefits resulting from the enquiry must necessarily extend to those fields.

Recommendation for publication of the report and evidence.

Your Commission respectfully suggest that, for the purposes of general reference, and to be taken up in the official archives, the report with all the evidence led, statistics and further addenda, be printed and published in book form. It will also serve a useful purpose in illustrating to foreign investors the conditions under which the mines exist and are worked, the richness of the reefs and the regularity of the ore deposits.

Results of adoption of report.

Credit will be restored, as it will be obvious to all who take an interest in the matter, that the bogus companies, mostly floated in Europe by unscrupulous promoters, do not come within the pale of legitimate enterprise connected with the mining industry. The establishment of a local Mining Board has been strongly urged by witnesses. From an industrial and financial point of view this country must be considered as still in its infancy, and without loss of dignity and prestige the Government may accede to the above request. Experience in these matters can only be attained after the lapse of long years, and by coming into contact with experts from other countries the State will reap the benefit of the knowledge obtained in their countries, where these problems have for decades exercised the minds of their leading citizens. In conclusion, your Commission fervently hope that they have truly and faithfully interpreted the object of the inquiry, and that their suggestions and recommendations, if acted upon, will confer a lasting benefit on "Land en Volk."

The above Report was signed by all the Official and Advisory Members of the Commission.

APPENDIX.

I. LETTER OF THE WITWATERSRAND CHAMBER OF MINES TO THE COMMISSION.

II. MEMORIALS OF THE WITWATERSRAND CHAMBER OF MINES TO THE VOLKSRAAD.

III. REPORT OF THE WITWATERSRAND CHAMBER OF MINES' COMMITTEE ON RAILWAYS.
Annexures: (1) Report of the Netherlands South African Railway Company for 1895; (2) General Regulations of the Netherlands South African Railway Company; and (3) Natal-Netherlands Agreement.

IV. MR. DOUGALL'S LETTER ON THE NETHERLANDS RAILWAY.

V. NETHERLANDS RAILWAY CONCESSION.

VI. REPORT OF THE VOLKSRAAD DYNAMITE COMMISSION.

VII. BALANCE SHEET OF THE SOUTH AFRICAN EXPLOSIVES COMPANY.

VIII. THE STATE DYNAMITE MONOPOLY. Contract between the Government and the Agent.

IX. BUDGET STATEMENTS OF THE SOUTH AFRICAN REPUBLIC. RECEIPTS AND EXPENDITURE FROM 1882 to 1896 INCLUSIVE.

X. LIST OF ELECTORS OF THE SOUTH AFRICAN REPUBLIC.

XI. STATISTICS OF THE WHITE POPULATION OF THE SOUTH AFRICAN REPUBLIC.

XII. STATISTICS AND CENSUS OF THE NATIVE POPULATION OF THE SOUTH AFRICAN REPUBLIC.

XIII. THE PASS LAW.

XIV. SCHEDULE OF NATIVE WAGES, WITWATERSRAND.

XV. THE LIQUOR LAW.

XVI. THE GOLD LAW. (S. H. Barber's edition.)

XVII. EXTRACTS FROM NETHERLANDS RAILWAY REPORT, 1896.

I.

LETTER OF WITWATERSRAND CHAMBER OF MINES TO THE COMMISSION.

Witwatersrand Chamber of Mines
Johannesburg, 20th May, 1897.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE INDUSTRIAL COMMISSION OF ENQUIRY.

GENTLEMEN,—We have the honour to forward you herewith answers to the various questions put in writing to the Chairman of the Chamber, and in response to the request of the Government to all persons interested, to render assistance to your Commission by placing before it all possible information connected with the burdens and grievances of the mining industry, and to your confirmation of that request, beg to submit the main points of the more important questions which have formed the subject matter of the Chamber of Mines' memorials to the Volksraad, and of its memorials and communications to the Government.

The subjects referred to are: Dynamite, Native Labour and Pass Law, Liquor Law, Railway Administration and Rates, Gold Thefts, Bewaarplaatsen Mining Rights, Cement Duty; which will be taken in the order named.

DYNAMITE.*

As far back as 1890 the Chamber suggested that a commission should be appointed to enquire into various questions connected with the dynamite monopoly, and that it was of the first importance that a certain number of those connected with the actual working of the mines (the number proposed was three) should be nominated by the Government as additional official members. A commission was eventually appointed, but the mines were not accorded the representation on it which had been asked for, though at a later stage Dr. Simon was appointed to represent the Chamber.

In 1891, in its memorial to the Volksraad, the Chamber pointed out (1) that numerous complaints of the dynamite being of inferior quality had been received; (2) that the concessionaires were not manufacturing dynamite, but importing it under another name; and, (3) that the price charged was excessive; and asked that leave might be given to import direct from Europe, subject to the payment of a reasonable royalty either to the Government or the concessionaires. The import duty at this time was 7s. per case. The Volksraad resolved: "To answer the memorialists that nothing can be done with reference to their prayers; and further, to instruct the

* Throughout in speaking of dynamite, dynamite No. 1, containing 75 per cent. of nitro-glycerine is intended; this quality having been taken as the basis of the contract between the Government and the Government agent.

Government to see that the concession is strictly carried out, and that as quickly as possible the dynamite must be manufactured from materials found in the South African Republic."

The year following, the Chamber's memorial to the Volksraad stated that the mines were being charged by the concessionaires 40s. per case for dynamite, in excess of the price at which it could be imported; that while the mining industry was heavily burdened, the State was losing the revenue which ordinary importers would have to pay; that the terms of the concession were being ignored by the concessionaires, and that the concession ought to be cancelled; but that if the Volksraad were unwilling to proceed to cancellation at once, then that the mining companies should be allowed to import the same explosive and put it into cartridges in the same manner as that adopted by the concessionaires. At about this time, through information supplied by the Chamber, and at its request, the Volksraad Dynamite Commission ordered the seizure of a quantity of stuff which the concessionaires declared to be gühr impregné, but which, by the public firing tests, and the chemical tests of Drs. Schlesinger and Simon, was proved to be dynamite pure and simple. The Chamber thereupon at once asked that permits might be issued for the importation of dynamite. In August, on consideration of the revision of the tariff, various proposals were made for increasing the import duty on dynamite and other explosives. Strenuous endeavours were put forth by the Chamber to protect the industry against such additional taxation, but nevertheless the duty was raised to 3d. per lb. and 7½d. per cent. *ad valorem*, equal to about 17s. 6d. per case. In the same month the Government cancelled the concession, and in due course the concessionaires claimed in terms of their concession that the matter should be submitted to arbitration. The Chamber then addressed a letter to the State President and members of the Executive Council, thanking them for their action in the matter. Great difficulty was, however, experienced in getting permits issued for the importation of explosives, and, when issued, they were not for a sufficient quantity.

In 1893, the Chamber's memorial to the Volksraad referred to the increase of revenue, which had resulted from the cancellation of the concession, and, after giving figures showing that dynamite could be laid down in Johannesburg, inclusive of 17s. per case duty, at about 66s. 7d. per case, prayed that provision might be made for the issue of permits, on application, to all duly licensed persons wishing to import. The doling out of permits had already, and was still, causing great inconvenience to the mines, and frequent complaints were sent to the Chamber, which duly made representations to Government on the subject.

But the trouble in connection with the question of issue of permits was overshadowed early in August, by information which reached the Chamber that the Government contemplated establishing a State Dynamite Monopoly. Immediate steps were taken to ascertain whether the information was accurate, and on the 8th of August, at a special meeting of the Chamber, a resolution was passed, of which the following is an extract:—

"The Chamber views the present unsatisfactory method of regulating the importation of dynamite with alarm, as it leaves the mining industry constantly confronted with the danger of an absolute dearth of explosives, and deprives it of the advantage of trade competition; and would urge upon the Government the desirability of expediting the arbitration on the points submitted for decision, and of establishing free importation of dynamite under permits. The Chamber also desires to protest most emphatically against the substitution of a State monopoly for the cancelled concession, regarding such a system as no less pernicious than the one it would replace."

A deputation, consisting of the Acting President of the Chamber of Mines, Messrs. G. H. Goch, J. B. Taylor, E. H. Dunning, S. B. Joel, C. E. Nind, and F. Lowrey, handed a copy of the resolution to the President, who, however, refused to accept it, on the plea of other more urgent business, and asked for a simple outline of the industry's grievance, saying that his policy must not be questioned, and that he must be left to look after his mines as he thought best.

At the ordinary monthly meeting of the Chamber, held on the 10th August, after the Chairman had reported on behalf of the deputation, the following resolutions were unanimously passed :—

"The Chamber hereby records its dissatisfaction at the extremely inconsiderate and hostile attitude of the Government towards the mining industry, as shown by its proposals to establish a dynamite monopoly, ostensibly as a State monopoly, but in reality as a monopoly in favour of an agent, to whom the industry will be handed over for spoliation."

"That the foregoing resolution be translated into Dutch and forwarded to all members of the Government, also to all members of the Volksraad, praying these to vote solidly against the iniquitous proposals of the Government *re* State Monopoly, and, if possible, to pass a resolution establishing free trade in dynamite."

Copies of the resolutions were dispatched to the Government and to the Volksraad members with, in the case of the latter, the request set forth in the second resolution. A resolution was also passed, thanking the Minister of Mines for his reception of the Chamber's deputation and for the promise of support which he had given them.

Within a few days the Government submitted its dynamite proposals to the Volksraad. In spite of the manner in which its deputation had been received, the Chamber determined not to remit its endeavours to work amicably with the Government, and at the same time protect the mining industry as fully as possible. Taking the view that the object of the Government was: 1. To provide a way out of the dispute between the concessionaires and itself, and avoid the possibility of damages being awarded against the State; and 2. To ensure the erection of a real factory and the *bonâ fide* manufacture of explosives within the State, the Chamber, while remaining of opinion that the best solution of the dynamite question was the granting of free trade in explosives, was nevertheless willing to assist the Government in seeking to attain its wishes. The following proposals were accordingly submitted by Mr. Jeppe, M.F.V., to the Government and to the Volksraad Commission, which had been appointed to deal with the Government scheme :—

1. The dispute between the Government and the concessionaires to be pushed to a settlement by means of arbitration.

2. The mining industry, if the Chamber is consulted by the Government as to the naming of an arbitrator by the Government, will be willing to pay the damages, if any are awarded, by means of a rate to be levied on each case of dynamite ; the Chamber reserving to itself the right to avoid the payment of additional dues by making one payment for the full amount.

3. That in order to ensure the establishment of a factory in the country, the Government should offer an annual bonus to anyone establishing such a factory. The Chamber of Mines will also contribute a bonus, say of equal amount; and to make its success certain the Government to arrange for a joint control with the Chamber over such factory.

4. Pending the establishment of the factory and the supply of dynamite therefrom, companies to be allowed to import, under permits from Government, according to their requirements.

Nothing came of this, and on the 5th of September the dynamite regulations submitted by the Government were, with certain amendments, adopted by the Volksraad, and the State Monopoly was duly established by law. The day following the Chamber addressed the State Secretary asking Government not to close with any offer that might be made, before the Chamber had had an opportunity of submitting proposals having for their object the thorough carrying out of the dynamite regulations as passed, and adding: "The mines are so greatly interested, as large consumers of dynamite, that it is to their interest to make such proposals as will completely comply with the wishes of the Government, and on terms which will be far more advantageous to the Government than those provided in the regulations." Though no reply was received, and no acknowledgment was made of the attempts of the Chamber to assist the Government, on the 15th September the Chamber submitted the following offer to the Government on behalf of the mining industry:—

1. To erect a factory within two and a half years; security for the carrying out of this arrangement, to be given to the Government.

2. To pay to Government on every manufactured case of dynamite sold 5s. a case, and 50 per cent. of the profits.

3. To take over the powder factory as provided in the Volksraad regulations.

4. To arrange with the Government the details of a plan by which there shall be a joint control (Government and Chamber) over both dynamite and gunpowder factories.

5. Pending the completion of the factory, to import dynamite and such other explosives as may be required, for the account of the Government, and to arrange the sale and distribution thereof to consumers, subject to such terms and conditions as may be arranged.

Or in the alternative:—

To lend the money required for the erection of the factory to the Government at a rate not exceeding 5 per cent. per annum, provided that the Chamber shall be allowed joint control with the Government of the dynamite and gunpowder factories; details of such joint control to be mutually agreed upon.

This also was left unacknowledged.

It may be remarked that under the State Monopoly the duty payable on explosives imported under permit was fixed at 8½d. per lb. above the ordinary *ad valorem* duty. The contract with the agent appointed by the Government to carry the monopoly out was signed on the 25th October, the term of agency being 15 years.

On the 9th November the Chamber discussed a draft contract with Nobel's; the consideration of the details occupying them three days. The contract, as amended, was then passed. The chief features in the contract were that Nobel's bound themselves to supply at 62s. 6d. per case in bond;* to charge the same price as is charged by the Government Agent unless the agent reduces the price to such an extent that less than 40s. nett, would be received, when they reserved the right to suspend deliveries; and that in the event of their erecting a factory for the manufacture of dynamite and other explosives, a Transvaal joint stock company would be formed, towards the capital of which the mining companies would be entitled to subscribe to the extent of one-third in the aggregate; the selling price of such Transvaal manufactured dynamite to be 80s. per case. As a result of the competition between the Government Agent and Nobel's, the price of dynamite was in November brought down to 75s. per case, inclusive in the case of Nobel's of the heavy import duty of 8½d. per lb., and 7½ per cent. *ad valorem*, equal to about 37s. 6d. per case. But the

* No. 1 dynamite is referred to.

next month, though application was made, permits were refused, and the price was again raised to 85s. per case.

With the opening of the year 1894 complaints were made to the Chamber by mining companies: (1) that the explosives supplied by the Government Agent were of inferior quality; (2) that the particular kinds required were not procurable. On the 25th January, and on the 6th February, letters were sent to the Government covering copies of the complaints received from companies. Owing to the constant representations of the Chamber the Government was induced from time to time to issue permits, which were then used for the importation of explosives of good quality. In March a delegate of Nobel's Company submitted a scheme for securing the mines an opportunity of becoming shareholders in the company, which the agent intended to form for carrying out the monopoly, and embodying particulars with regard to the price of explosives and other matters. It was rejected on the ground that it "appears to be vicious to public policy as well as inimical to the vital interests of the mining industry," and a deputation interviewed the State President and Executive Council on the subject, as a result of which details of the proposal for the formation of a company to take over the working of the monopoly, which had come to the knowledge of the Chamber, were furnished to the State Secretary. The capital of the proposed company was to be as follows:—

182,500 shares of £1 each, to be issued fully-paid to the previous concessionaires, whose concession had been cancelled;
25,000 fully-paid £1 shares to be issued to Mr. Lippert;
22,500 fully-paid £1 shares to be issued to persons unknown;
220,000 fully-paid £1 shares to be issued to Nobel's against payment in full in cash; with the following charges:—

5s. on each case of explosives to Mr. Lippert for 15 years;
2s. on each case of explosives to Messrs. Lewis and Marks for 15 years;
2s. on each case of explosives to Mr. Lippert for 3 years;

and Nobel's also undertook, in the event of further capital being required, to take up 8 per cent. debentures to the amount of £150,000, if the money could not be obtained by public subscription on more favourable terms. The payments to be made to the Government were fixed at 5s. per case, and 20 per cent. of the nett profits, after deducting 8 per cent. as interest on the share capital and the usual allowances for wear and tear, etc.; also £3,750 per annum as rent for the powder factory. In their memorial to the Volksraad, presented in the ordinary session, the Chamber recited the particulars connected with the proposed company, and pointed out that if the Government received its share of profits as well as the 5s. per case, the loss to the State, on a consumption of only 100,000 cases of dynamite per annum, would be £141,350 per annum, as compared with the revenue obtainable from importation under permits. And the Volksraad was asked to limit the maximum capital of any company formed for working to the actual amount of cash paid up; to prohibit the special commissions or royalties proposed to be imposed for the benefit of individuals and companies at the expense of the State; and in view of the protection afforded to the factory by the import duty of 37s. 6d. per case, to provide that permits should be freely issued, unless, as an extreme case, for high reasons of State such issue be deemed inadvisable.

In May it was ascertained that a coalition had been concluded between Nobel's Company and the Government Agent, and that a company was to be formed on practically the same lines as those referred to above, with the exception that the question of royalties was to be left to the new company. Information was also

received that the Government had made an arrangement with the agent, allowing him an extension of time for the erection of the factories. In September the Government resolution, varying the terms of the contract, came before the Volksraad for consideration, and the following resolution was passed: Article 1711—"The First Volksraad having considered the letter of the Government, dated 6th September, 1894, now on the Order, asking for confirmation of the Executive Council resolution, Article 457, dated September 6th, 1894, accompanying the said letter; having considered the memorials and the Commission's report, according to the conclusions based thereon:

RESOLVES:—"Not to confirm the Executive Council resolution, and not to grant the desired authority for alteration of the instructions, and to instruct the Government to act strictly in conformity with the regulations confirmed by the Volksraad." (Nevertheless the Government, as will be seen later, did alter the instructions.)

To memorialists the Volksraad replied that their "request cannot, be granted, as the matter was decided by the Volksraad last year."

In 1895 the Chamber again memorialised the Volksraad, pointing out that on an annual consumption of 100,000 cases of dynamite, the loss to the State from the monopoly exceeded £140,000 a year; this being the difference between the amount paid to the Government, and that which otherwise would accrue from customs dues on importations under permits; that the monopoly prevented the importation and testing of new explosives alleged to be as effective and much cheaper than dynamite; and praying that the Volksraad would consider the advisability of steps being taken for the purchase of the rights of the agent before further expenditure had been incurred in connection with the factory, so that the Government may recover its freedom of action, and be able to allow the mining companies to buy in the cheapest markets such explosives as may be most suitable for the work to be done. As reply, the Volksraad forwarded the following copy of its Memorial Commission's report:—

"The Commission taking into consideration the numerous discussions in the First Volksraad on this subject; taking into consideration Article 7 and Article 13 of the regulations referring thereto; considering that, in accordance with Article 6, maximum prices are fixed for the term of eight years, cannot recommend your House to have the rights of the agent purchased by the Government, as suggested in the memorial of the Witwatersrand Chamber of Mines."

In 1896 it was deemed futile to send in a memorial to the Volksraad, as the reply to that of the previous year indicated the determination of the Legislature not to consent to the purchase of the agent's rights.

During the special session of the Volksraad, held at the beginning of this year, a commission was appointed to enquire into the working of the monopoly, and their report was presented on the 19th February last. In this report the commission *inter alia* drew attention to the following facts:—

1. That the agent has failed to carry out his contract with the Government to establish factories for the manufacture of explosives in accordance with the requirements of the country within the time fixed, and that even within the further 2½ years which the Government have allowed him, he will still be unable to do so.

2. That irrespective of the profit on explosives made at the factory, a profit of £2 per case is made on explosives imported at the cost of the State, of which the agent takes 35s. and the Government 5s. per case.

3. That during the four years, 1897 to 1900 inclusive, it is estimated that at least 430,000 cases of explosives will have to be imported, which, if imported by the State

direct, would benefit the Treasury to the extent of £860,000, and if dealt with as at present, would give the State only £107,500; a difference to the detriment of the State of £752,000.

4. That there is no prospect that the production of explosives will be independent of the importation of some of the raw materials.

5. That the Commission also expresses a doubt as to the possibility of reconciling the Executive resolution, varying the terms of the contract, with the Volksraad resolution Art. 1711, and Art. 16, Par. A, of the contract with the Government Agent. Thus it is clear that the object which the Government had in view when advocating the establishment of a State monopoly, viz., that the State should be rendered independent of foreign sources for the supply of explosives has not been and cannot be attained; and that the mines have been and still are seriously burdened, and the State is deprived of a lucrative means of revenue, simply for the maintenance of a factory which has to import raw materials in any case, and for the most part imports the already made explosive, and for the benefit of the shareholders and other persons having an interest in the South African Explosives Company. The more salient features of the commission's report have been set forth in the memorial presented by the Chamber to the Volksraad, in which also the statement is made that in 1893 Nobel's undertook to deliver in Johannesburg, free of duty, down to 40s. per case, and that there is reason to believe that it can be imported now at about that price.

The Chamber has, hitherto, endeavoured, though fruitlessly, to induce the Government and the Legislature to allow the mines to purchase dynamite in the cheapest markets. Were this allowed, dynamite could be obtained, inclusive of 5s. per case duty, the amount paid by the agent to the Government, at about 45s. per case, which on the present consumption would mean a saving of about £400,000 a year to the mining industry, and would leave the State revenue from explosives undisturbed. In conclusion it may be pointed out that, according to the published statements of State revenue and expenditure, the only payment made by the company has been 5s. per case, and that though large profits must have been made, the Government has so far received nothing on account of its 20 per cent. share in the nett profits.

NATIVE LABOUR AND PASS LAW.

With the development of the mining industry and the consequent increase in the demand for labour, the question of supply became a matter of considerable concern to the companies. In the beginning of 1890 a scarcity of supply was experienced, and from that time forward, the subject of native labour has engaged the almost unintermittent attention of the Chamber. The first communication to the Government was sent on the 23rd January, when it was pointed out that private enterprise had failed to maintain an equilibrium of supply and demand, and the authorities were asked to render assistance by inducing the natives of the thickly populated native districts to come to the fields. The Government merely acknowledged receipt of the letter.

The subject was also brought to the notice of the Minister of Mines, who promised assistance, and to that of the State President personally, on the occasion of his visit to Johannesburg, but without result. Still, owing to the efforts of the Chamber and the mining companies, the supply was brought nearly up to the demand, and later in the year, by the combined action of the industry, under direction of the Chamber, the rate of wages was reduced to from 41s. 6d. to 44s. per month.

In the winter of 1891 the supply again fell short, and numerous complaints were received of the want of shelter on the main routes, and of the ill-treatment to which the natives were subjected by farmers while coming to the fields. The Chamber

accordingly asked the Volksraad to provide shelters on the principal roads, and to secure protection for travelling natives; while a letter was addressed to the First Volksraad member for Johannesburg, in which it was stated that there was a serious want of native labour, and the hope was expressed that during the session some measure to afford relief would be passed. The letter closed as follows:—"The mining community has made a strong endeavour to relieve itself of this unreasonable burden, but standing alone, little can be done, and it is to be feared that the efforts of the mines cannot be much longer sustained if the Volksraad and Government do nothing to assist them." Still nothing seems to have been done during the session.

As in 1892 the Government did not take any special action, the Chamber approached agents in the neighbouring States, who expressed their willingness to co-operate, the Cape Government offering to reduce railway fares for natives. It was then decided to organise and carry out the supply of native labour.

Early in 1893 the Chamber introduced labour from the Cape Colony which, however, failed to give satisfaction, owing to the natives objecting to work underground. In March, a deputation went to Pretoria to discuss the matter with the Government, and, in especial, to ask for the appointment of a Government Commissioner, whose duty it would be to communicate with the native chiefs, to provide shelter and protection for travelling natives, and to work in conjunction with the Chamber in all matters relating to native labour. The deputation also informed the Government that it was the desire of the Chamber to appoint an officer to organise the labour supply; to give his official sanction to contracts between the employers and the natives; to be the medium of communication between the mining companies and the Chamber, in relation to native labour; and generally to perform the functions devolving on a special Government officer, appointed in countries where State-aided immigration obtains. The Government, in reply, asked that the matter might be laid more fully before the Superintendent of Natives and the State Attorney. The claim of the Chamber to receive support was admitted; but though the proposals were submitted in detail to General Joubert, Superintendent of Natives, on the 28th March, no reply was received. On the 16th May, a letter was accordingly sent to the General, drawing his attention to the previous communication. Again no reply; but during June he intimated verbally that he had handed the communication to the Government, and that he was in favour of the scheme and would support it. After waiting a month, on the 10th July the Chamber addressed the State Secretary, referring to the interview in March and detailing the action of the Chamber since, and asking the Government to give its moral support to the Chamber's scheme. No reply was, however, received. The Chamber waited another month, hoping that a favourable answer to its representations might still come to hand from the Government, and none then being forthcoming, decided to proceed at once with the establishment of a Native Labour Department, as, owing to the prevalence of small-pox, the supply of labour from the north fell off, and the necessity for exceptional efforts became manifest. In view of the objection of the Government to the introduction of labour from the Cape Colony, arrangements were made to obtain a supply from the East Coast, but to ensure success the help of the Government was necessary; in particular to obtain the consent of the Governor-General of the Province of Mozambique to the emigration of natives to this State. The deputation that waited on the Government on this subject received satisfactory assurances. But in November the Acting State Secretary informed the Chamber that its action would only be supported if the natives from the East Coast were brought overland *via* Delagoa Bay. The Chamber's lately-appointed Native Labour Commissioner went to Pretoria and saw the State Secretary, giving him assurances

that the wishes of the Government would be complied with, though the Natal route was the cheaper. This settled the matter so far, but the State Secretary stated that under no circumstances must natives be brought in until the Government had received a reply to the communication on the subject addressed to the Governor-General of Mozambique. At the opening of the session a memorial was presented to the Volksraad, in which legislation, with the object of securing a more regular supply of labour, was asked for. A Native Labour Commission, appointed by the Volksraad, reported that the complaints of the Chamber were well founded, and recommended that the instructions already given to the Government to frame an act dealing with the subject should be repeated and emphasised. At the same time, suggestions were made by the commission for the adoption of certain provisional measures calculated to induce the natives to come out to work, the chief object being to secure labourers for the farmers. The Volksraad approved the report, but instructed the Government, in consequence of the prevalence of infectious diseases, to prohibit the natives from travelling. General Joubert and Commandant Erasmus met the Chamber on the 30th November, when it was suggested to them: (1) that proper protection should be afforded to travelling natives; (2) that the Pass Law should be so amended as to afford facilities for natives to travel in search of work; (3) that provision should be made for the registration and numbering of, and the issue of distinctive badges to, the natives on their arrival at their destination; (4) that the hut tax should be increased as an incentive to the natives to work; and (5) that permission should be granted to mining companies to establish locations. Suggestions 1, 2, and 3 received general assent, but the other two evoked differences of opinion. However, General Joubert stated that he was convinced that the supply of labour was inadequate, and promised his support in inducing Government to legislate in the right direction as soon as possible. Commandant Erasmus expressed concurrence with the General's views.

In 1894 the necessary permission having been obtained from the Portuguese authorities, the Chamber considered various schemes for the importation of labour from the East Coast, as well as from the north of the Transvaal. The chief difficulties to be encountered were the want of adequate protection for travelling natives, and the impossibility of enforcing labour contracts with natives owing to defects of the Pass Law. With regard to the first, representations were made to the Government complaining how natives travelling to these fields were frequently harassed and robbed. The Government replied that instructions had been issued to all officials to afford protection to natives; but as no good results were obtained from the action of the Government, the Chamber decided to erect depots where travelling natives could get shelter and food, and where they would find persons who would investigate any complaints of illtreatment on the road. Respecting the second, the Chamber undertook to draw up regulations dealing with the issue of passes, registration of natives, provision for identification, etc. After having obtained advice from the Department of Native Affairs in Natal, regulations were drawn up which were adopted by the Chamber and Association of Mine Managers. They were afterwards submitted to the Mining Commissioner and Assistant Landdrost, and upon their advice forwarded on the 28th March to the Government. The State President and the Executive Council expressed their complete concurrence with the principle of the regulations, and recognised that such a measure was urgently needed. However, they were not at the time gazetted, and upon inquiry being made, the Chamber learned from the State Secretary that there was no immediate prospect of the Government taking action in the matter. Several interviews then took place between the Superintendent of Natives and a committee of the Chamber, but no progress was made. The Chamber being anxious

to have the regulations promulgated by the beginning of the next year, sent another deputation, accompanied by the Mining Commissioner, to Pretoria, on the 22nd November. The President agreed with the views expressed by the deputation, and the matter was referred to a committee consisting of the Superintendent of Natives and the State Attorney. This committee, after having made one or two unimportant alterations, recommended the regulations to the Government for adoption, with the suggestion that, if adopted by the Government, they were to be gazetted for one month for public information, and to afford an opportunity for objections to be sent in; and if no objections were sent in, they were to be put in force temporarily, pending confirmation by the Volksraad. The presentation of the committee's report was, however, delayed by the departure of the President; but it was expected that the regulations would be gazetted early in the coming year.

In the early part of 1895 the labour supply was plentiful, and then it began steadily to decrease; and, in May, owing to several native wars then in progress, the stream to the fields practically stopped: not only the natives ceased to come down from the North, but of those that were working on these fields large numbers left for their homes, while the commandeering of 4,000 natives from the northern districts utterly disorganised all attempts at improving the supply. Towards the end of June the war was over, and the Chamber learnt that General Joubert was on his way back with about 5,000 natives, whom he intended to locate in the Warm Baths district. The Chamber's native commissioner made written application for the allotment of 1,000 to 1,500 for service at the mines, to alleviate the great scarcity of labour, but a reply was given that the proposal could not be entertained, as, according to rights established by precedent, the burghers were entitled to the men. However, from this time the supply from the North somewhat improved, although continuing far below the demand. The Chamber devoted considerable attention to the question of importation of labour from the East Coast, but the cost to be incurred was so high that companies did not care to undertake this on a large scale, as long as the pass regulations were not proclaimed, and enforcement of contracts was impossible. As nothing further had been heard from the Government concerning the report of their own committee, which, at the end of the previous year, had advised the adoption of the regulations, a memorial was sent to the Raad at the opening of the session, asking that body to pass the regulations, and the Chamber did everything possible to get them pressed forward for adoption. After considerable delay they were passed on the 3rd October by the Raad, substantially, as drafted by the Chamber. In view of the scarcity of labour on the fields, it was decided to impress upon the Government the desirability of proclaiming them without delay. Letters were forwarded on the 11th and 21st October to the Government, dwelling upon the fact that the matter of proclamation was an urgent one. No reply was received; but on the 18th December, the Rand and De Kaap districts were proclaimed as falling under the regulations, which were to come into force on 1st January, 1896. Considering the urgency of the question, the various delays experienced caused great dissatisfaction. The regulations were handed to the Government in March, 1894, and although the Government expressed approval of them, they were not submitted to the Raad until the 1895 session; and then were only passed at the beginning of October, the districts coming under them being proclaimed two and a half months later, while no provision appeared to have been made for the appointment of officials for their administration.

In 1896 assistance was again asked from the Government to secure an adequate supply of labour, and the Chamber was informed in February, that in terms of the proclamation of the State President the Government would formulate plans to help the mining industry, and that further information would be given within a few days.

Letter of Chamber of Mines.

he Minister of Mines also wrote that the Chamber would soon be made acquainted with the scheme formulated by himself and the Superintendent of Natives, and with the Government's decision upon it. Nothing further was heard about the scheme; all that appears to have been done by the Government was to instruct the Native Commissioners to render all possible assistance in improving the supply, and to offer to give mine managers letters of introduction to the Native Commissioners. Great expectations were formed of the benefits that would accrue from this Pass Law, but at the very outset it was found there had been omissions of so important a nature as to make the regulations practically inoperative. The object of the new law was to bring the natives under effective control and reduce the risk of desertion to a minimum; but as the districts of the Witwatersrand, Boksburg, and Krugersdorp form one continuous goldfield, and only the central portion, Witwatersrand, had been proclaimed under the new Pass Law, desertion remained as easy as ever, and, in addition to this drawback, which was absolutely fatal to the working of the regulations, the department established for carrying out the law was wholly inadequate for dealing with even the one district placed under it. In March the Chamber urged upon the Government the absolute necessity of proclaiming the districts of Boksburg and Krugersdorp, and after a long delay this was done. The regulations under the new law were now put to the test, and the weak points, apart from the inadequate departmental arrangements, were soon discovered. The entire law was then considered by the Chamber of Mines, the Association of Mines, and the Association of Mine Managers, and a joint memorial was presented to the Government, in which the deficiencies and defects were pointed out, and remedies suggested. On the 23rd December, the present amended law was published, with a provision that it should come into operation at once.

By the new law the old one was repealed, and the proclamations under it, therefore, fell to the ground. But, though it consequently became necessary to proclaim the areas under the law afresh, no such proclamation appeared in the *Government Gazette*. The Chamber accordingly brought the matter to the notice of the Government by letter, on the 9th January, and asked that the districts of Witwatersrand, Krugersdorp, and Boksburg should be proclaimed, and the operation of the regulations be thereby legalised. No reply was received from the Government, but the Minister of Mines, who had also been communicated with on the subject, in acknowledging receipt of the letter, stated that the matter was receiving his attention. Nothing was, however, done until the 6th February, when, in consequence of the magistrate acquitting a number of natives charged with contravention of the regulations, on the ground that these were not in force, the districts above referred to were proclaimed in accordance with the law, in a special issue of the *Government Gazette*.

From the very beginning of this year it was found that even the new Pass Law ... tions were utterly ineffective on account of the inefficient administration of the ... law, as has been said, had been passed with two main objects: Firstly, o ... h Governmental control over the natives employed in the minin ... of protecting the companies as far as possible against th ... ither of these objects has been attained. There ... the companies were in no way prote ... sertions took place on as large a ... fore presented to the Volk ... of the staff of th ... the regu

NATIVE LIQUOR TRADE.

As early as 1890 the question of the sale of intoxicating liquor to natives at the mines engaged the earnest attention of the Chamber. Repeated complaints were sent in by the companies to the Chamber, and after many applications on the part of the Chamber to the Government officials, the Assistant Landdrost, Mr. Van den Berg, discussed the question in detail with the Executive Committee, and several amendments in the law were suggested and embodied in a memorial to the Government praying that a severe check be placed upon the sale of liquor to natives.

In 1891 another memorial was presented to the Volksraad reciting the baneful effects of the sale of drink on the work at the mines, and requesting that no liquor should be sold to any coloured person without a permit from his employer; any contravention to be punished by fine and immediate cancellation of licence.

A law which was intended to limit the sale of liquor was then passed by the Raad, but it had such grave flaws that its working proved an utter failure. It was, in fact, rendered absolutely nugatory by the clause which allowed unemployed natives to obtain one drink, at any canteen, without a permit. Another cardinal defect was the broadcast manner in which licences were issued to practically every applicant, so that the number of canteens was increased out of all proportion to the requirements of the population.

In 1892, therefore, a memorial was presented to the Volksraad, pointing out the evils existing under the law of 1891, praying for its amendment, and either the total prohibition of the sale of liquor to natives or the most stringent restriction of sale.

In other memorials and communications reference was made to the alarming proportions attained by the sale of liquor to natives, the fact being instanced that on a particular Sunday 466 natives had been counted leaving two canteens on a mining company's property. The chief cause of the evil was the indiscriminate manner in which canteen licences were issued by the Pretoria Licensing Board, no less than 572 having been granted for the Witwatersrand goldfields alone. The position was somewhat improved by an amendment to the Liquor Law, under which provision was made for the appointment of local Boards, the Chairman of the Chamber being eventually nominated a member of the Johannesburg Board: but in spite of the Chamber's representation to Government, no representatives of the mining industry were appointed to the Boksburg and Krugersdorp Boards.

It having come to the knowledge of the Chamber, in 1893, that petitions would be presented to the Legislature asking for modification of the constitution of the Licensing Boards, and for the right of appeal against their decisions, the Chamber sent in an opposing memorial, and the law was maintained unaltered. During this year there was a notable improvement in the Johannesburg district, but numerous and serious complaints were received by the Chamber from mining companies in the neighbouring districts of Boksburg and Krugersdorp, where like care in the issue of licences had not been exercised.

In January, 1894, the Executive Committee of the Chamber met the Minister of Mines, to whom they fully explained the unsatisfactory state of affairs in connection with the native liquor trade in the Boksburg and Krugersdorp districts, and asked him to support the Chamber in endeavouring to secure representation of the mining industry on the Licensing Boards of those districts. In consequence of the grave complaints which continued to reach the Chamber from those quarters, on the 7th April a memorial was sent to the State President and Executive Council, in which the evils caused in those districts, by the practically unchecked supply of liquor to natives, were set forth in detail, and the request for representation of the mining industry on

the Licensing Boards was repeated. Exactly a month later the State Secretary replied that the Government, having obtained the advice of the officials concerned, could not accede to the request. Towards the end of the year frequent complaints were again received, and the Chamber again addressed the Government on the seriousness of the position, and once more asked for the appointment of mining representatives to the Licensing Boards. In March, 1895, the reply came, stating that the Government could not alter its previous decision.

The mining companies of the fields generally were greatly hampered in their operations by the prevalence of drunkenness among their native employees, a large percentage of whom were, from this cause, constantly incapacitated for work. This was due to the facilities to obtain liquor offered alike by licensed houses and by illicit dealers. As it was considered most important that badly conducted places should be closed, and the number of licences in general reduced, the Chamber recommended the companies to instruct their managers to submit to the Licensing Boards any valid complaints that they might have, and to appear in person in support thereof, and to object to the granting of the licence.

In 1896 the Chamber addressed the Government, and presented a memorial to the Volksraad on the increase of the illicit liquor trade, and asked for a strict enforcement of the provisions of the Liquor Law, and for closer supervision of the canteens. The Volksraad, in response to these representations, having appointed a commission to consider certain proposed amendments of the Law, the Chamber availed itself of the opportunity to pass a resolution strongly advocating the total prohibition of the sale of liquor to natives, and sent a copy to every member of that body. To the great satisfaction of the Chamber a prohibition clause was embodied in the law.

On the amended law coming into force on the 1st January, 1897, there was an immediate and marked improvement in the condition of the mine natives, and during the first month of the year there was almost a total disappearance of drunkenness among them. The relief, however, did not last long. Illicit selling soon became rampant, and to-day the state of things is worse than ever. This year the Chamber's memorial to the Volksraad laid special stress on the illicit liquor trade, and on the inability of the police to cope with it, asking, as a remedy, that a Government Board might be established, with a body of special detectives under its control; and also praying the Legislature to maintain the prohibition clause, and the exclusion of canteens from the mining areas.

Letters, in some cases three and four, complaining of the revival of drunkenness among the natives have, since about the end of January, been received from the following companies:—

Salisbury, City and Suburban, East Rand Proprietary Mines, Robinson Deep, Knight's Deep, Henry Nourse Deep, Henry Nourse, West Roodepoort Deep, Bonanza, Treasury, Paarl Central, New Heriot, Robinson, Wolhuter, Minerva, Balmoral, Orion, Vesta, Geldenhuis, Rietfontein A, Worcester, Jumpers, and Nigel.

From these the following have been selected as illustrative of the magnitude of the evil:—

Henry Nourse Gold Mining Company, Limited,

Johannesburg, 29th April, 1897.

THE SECRETARY,

Witwatersrand Chamber of Mines,

Johannesburg.

DEAR SIR,—Upon the instructions of my Board, I beg to hand you the enclosed

copy of a letter from our manager, with reference to a disturbance between the native employees of the Henry Nourse and Nourse Deep Companies on Sunday, the 25th inst., which is attributed entirely to the illicit liquor traffic carried on in the vicinity of the above mines.

Yours faithfully,

(Signed), W. M. TUDHOPE,

Secretary.

[*Copy of Letter received from the Manager, dated 26th April, 1897.*]

W. M. TUDHOPE, ESQ.,

Secretary, Henry Nourse Gold Mining Company, Limited.

DEAR SIR,—Yesterday afternoon there was a fight between our natives and those of the Nourse Deep, Limited. They have smashed nearly all the windows in the place, both here and at the Nourse Deep, and knocked up things generally. I would very much like one of the directors to see the damage so that it could be brought before the Commission. It all started through them being drunk, and, of course, the police were not to be found. The Heriot Bar and the kaffir location were the places from which they got the liquor.

Yours truly,

(Signed), J. WHITBURN,

Manager.

[*Copy of Letter received from Manager re Illicit Liquor Traffic.*]

W. M. TUDHOPE, ESQ., *Secretary.*

DEAR SIR,—Would you kindly forward this to the directors as soon as possible.

I have again to complain of the selling of liquor to kaffirs. Almost everywhere along the reef it is being carried on to a far greater extent than it ever was before, and the police seem to be of no use whatever in suppressing it.

During Saturday night and yesterday the place was full of drunken kaffirs. The boys state that the liquor was got from the following places:—

Canteen at the New Heriot.

Kaffir location on Louis D'Or G.M. Co., Ltd.

Shops around the Penzance Hotel.

Store at the back of our battery manager's house on the Kimberley Main Reef ground.

Henry Nourse Hotel.

Our compound manager sent boys who bought liquor from a white man standing at the corner of the verandah of the Henry Nourse Hotel. This man, as fast as he sold one bottle, would enter the store and bring out another. Boys were also sent to the store at the back of the battery manager's house, and liquor was again purchased there. Some kaffirs who were drunk stated that they bought four bottles from the Heriot Bar, two of which they finished in the place, and the other two along the road. They say they are able to get any quantity they want, but the price has been raised to 7s. per bottle. The police were about here yesterday afternoon, sergeants I believe, as they wore stripes. Everything was quiet during their stay, and for a quarter of an hour before their arrival, but within ten minutes of their departure the trade was

carried on as briskly as ever. To-day there are several drunken kaffirs about, and a very great number unable to work.

I trust that every influence will be used to bring about the suppression of this curse.

Yours faithfully,
(Signed), J. WHITBURN,
Manager.

Worcester Exploration and Gold Mining Co., Ltd.,
Johannesburg, 10th February, 1897.

COMMANDANT VAN DAM.

DEAR SIR,—I beg to bring to your notice the continued sale of liquor to natives, which is carried on so largely that we are fast returning to the old condition of things prior to the new Liquor Law coming into force.

The Wiltshire Bar, just below Ferreira G.M. Co., and Princess Bar, near our mine, do a roaring trade. The latter has been frequently reported, but no conviction has been obtained.

Kaffir eating-houses swarm in this neighbourhood, and most, if not all, of them sell liquor—one in particular, near Oliver's Mill, on Booysen's Road, is doing an extensive illicit business, and so are the bars situated at Ophirton.

I shall be pleased to render any assistance in trapping offenders, but think it will be better to employ your own traps, but just as you please, and I confidently hope that you will give this matter your serious and early attention, as our work is greatly hindered by the drunkenness of our kaffirs.

Yours truly,
(Signed), J. L. DE ROOS,
Manager.

Worcester Exploration and Gold Mining Co., Ltd.,
Local Office, P.O. Box 75,
Johannesburg, March 16th, 1897.

The *Secretary*,
Chamber of Mines,
Johannesburg.

DEAR SIR,—I beg to hand you copy of a letter addressed to Commandant Van Dam, but nothing has been done to check the illicit liquor traffic—in fact it is more rampant than ever, and boys in squads can be seen openly carrying and drinking liquor *ad. lib.*

On the 8th inst. upwards of 300 of our natives were drunk and incapable.

In addition to the bars mentioned in my letter to the Commandant, the Good Luck Bar, situated close to the Robinson Co.'s boundary, is notorious, and it may safely be said that all bars, directly or indirectly through the eating-houses, are contravening the law.

I am of opinion that the Sanitary Board should be addressed on the matter of licensing kaffir eating-houses, which are a principal channel of supply of liquor to natives, and while they are allowed to carry on this nefarious business it is hopeless to attempt to keep the natives sober.

I remain, yours truly,
(Signed), JOHN L. DE ROOS,
Manager.

The Nigel Gold Mining Co., Ltd.,

Head Office, Pietermaritzburg, Natal,

29th April, 1897.

To the LANDDROST,

Heidelberg, Z.A.R.,

SIR,—I am desired by my board of directors to again bring to your notice the fact that although the Liquor Law in the Transvaal provides that no drink shall be supplied to natives, yet at this company's property drunkenness amongst these people is as rife as ever.

The authorities have, for reasons best known to themselves, withdrawn the licence of the only canteen situated on this company's property, but have re-granted licences to seven hotels and canteens, all within a distance of a few hundred yards from our boundary, and it speaks for itself that these seven liquor houses cannot be made to pay by serving white people only, and the consequence is an enormous native trade and attendant demoralisation of our boys.

The gravest feature of this matter is that this pernicious trade is carried on right under the noses of the police and local authorities, and although information has been given and witnesses sent to prove violation of the law, yet in no case whatever has conviction followed.

It is unnecessary to go into details—this evil is one that is too well known—and it only comes to this, that the board of directors of this company plainly see that it will not pay the company to resume crushing until some assurance is forthcoming that our native labour can be used to the best advantage, and this assurance can only be had by the Government strictly carrying out the law, or closing altogether the whole of the canteens in the neighbourhood of our property.

I am, Sir,

Yours obediently,

F. WEIGHTON,

Secretary.

ROBINSON DEEP—STATEMENT.

On Wednesday, the 7th April, at 6 p.m., an employee of the Robinson Deep, Limited, named Henry Kempster, accompanied by two witnesses not employees of that company, and a kaffir in the employ of the Robinson Deep, Limited, proceeded to the Hanover Bar, Ophirton, where he suspected liquor was being sold to natives.

The kaffir was given 5s., and on presentation of that amount the proprietor of the Hanovar Bar, C. Beiles, handed him a bottle of liquor, which the kaffir at once handed to Mr. Kempster.

Mr. Kempster at once took the bottle to the Charge Office, Johannesburg, in order to lay a charge against the bar proprietor, but the Charge Office officials refused to receive the charge, and directed him to the Detective Department, who in turn re-directed him to the Charge Office, informing him that they did not receive any complaint of that nature. Returning to the Charge Office, Mr. Kempster was instructed to proceed to the mounted police, who, however, told him they knew nothing of the matter, and could only refer him to the Charge Office again.

Mr. Kempster then returned with the bottle and deposited it, sealed, in the mine office of the Robinson Deep, Limited, where it is at present.

Paarl Central Gold Mining and Exploration
Company, Limited,
Mine Office, 1st March, 1897.

SPECIAL LANDDROST,
Johannesburg.

LIQUOR LAW.

SIR,—I beg to inform you that on Saturday night about ten o'clock, a cart drawn by four oxen was standing on the dam-wall of this company, near Langlaagte Village, selling liquor to natives.

Also during the whole of yesterday (Sunday) liquor was being sold wholesale to the natives at some canteens in the village, and, as a result, during Saturday night, Sunday and Sunday night, a large number of my boys were drunk and unfit for work to-day.

Trusting that this matter will receive your prompt attention.

I have the honour to be,
Sir,
Your obedient servant,
(Signed) JAMES B. LITTLE,
General Manager.

RAILWAYS.

In 1889 the Chamber urged upon the Government the absolute importance of speedy railway connection with the sea, in the interest of the gold mining industry and of the State in general. Several endeavours were made to induce the Government to receive a deputation on the subject, but without avail. And it was not till the visit of the President to Johannesburg in March, 1890, that a definite official announcement was made that early steps would be taken to make the railway to the coast. In 1891 the Chamber wrote to the Government objecting earnestly to the proposed postponement of construction work, owing to financial considerations on the part of the Netherlands Company; and at the close of the year arrangements were made which gave promise of an early completion of the line. In September, 1892, the first through-train arrived in Johannesburg; but great as have been the advantages derived from the railway, especially in rendering transport independent of seasons, they have been largely neutralised by the high tariff imposed by the company.

The rates charged are not only inordinately high as compared with those of other countries, but are greatly in excess of those of the Cape Colony, Natal, and the Free State, which nevertheless secure an exceptionally large return on their several railway systems.

The following table of through-rates shows the difference in charges, and in this connection attention may be drawn to the fact that, while the Cape and Natal railways have to raise their traffic to an altitude of 3,988 feet and 5,433 feet respectively,

the Netherlands Railway proceeds from the termini of these systems along a practically level course:—

	Normal. Per ton per mile.	Intermediate. Per ton per mile.	Rough. Per ton per mile.
Cape	2·34	2	1·3
Orange Free State	2·34	2	1·3
Natal	3·04	3·04	1·94
Portuguese...	4·07	3·53	2·44
Netherlands, *via* Cape ...	7·7	7·7	7·7
" " Natal ...	5·06	3·82	3·26
" " Delagoa Bay	4·27	3·69	2·54

And even for the carriage of South African agricultural produce the other systems offer greater facilities than the Netherlands Company, as follows:—

Cape, for 23 miles	½d. per ton per mile plus terminals.			
Orange Free State, for 23 miles	"	"	"	"
Natal, for 13 miles	1¾d.	"	"	"
Portuguese...	2·2d.	"	"	"
Netherlands, *via* Cape and O.F.S.	3·1d.	"	"	"
" " Natal ...	3·26d.	"	"	"
" " Delagoa Bay ...	2·2d.	"	"	"

It is unnecessary to give specific examples of the actual railway charge in money on goods from the coast, as this has been fully dealt with in the evidence of many of the witnesses who have appeared before you; and the comparative tables, given above, afford eloquent testimony of the abnormal rates levied on the Transvaal lines.

As early as 1890 the Chamber found it necessary to complain alike of the administration of the Rand Tramway, as the coal line from Boksburg to the gold mines was called, and of the exorbitant rates charged for the carriage of coal. In May the Mining Commissioner was addresed on the subject, and in October a communication was sent to the Government. In the letter to the Government the Chamber asked to be allowed to send a deputation to discuss matters in detail, and the following grievances were set forth:—That the rates charged between Brakpan and Boksburg were irregular; that differential rates were charged; that, while the tariff was stated not to exceed 2½d. per ton, per kilometre, a much heavier charge was made between Boksburg and Johannesburg; that, though the Netherlands Company had engaged to construct sidings, they had not done so, and that this failure to carry out the engagement caused considerable extra expense to the companies for delivery of coal. In November the State Secretary replied that Mr. Verwey, general manager of the Netherlands Railway Company, was travelling in Natal, and that, as it was desirable he should be present at the proposed interview, an appointment would be made on his return. After Mr. Verwey's return another letter was sent to the State Secretary pressing for an appointment, and referring to the letter sent in November, but to this no reply was received. In 1891 a memorial was presented to the Volksraad detailing the administrative shortcomings of the Netherlands Company, and the high rates for transport of coal; finally asking for relief. The company evinced a better disposition to meet the requirements of the mines by slightly reducing rates, and by making arrangements for the construction of some sidings. In June, 1892, Mr. Middelberg, who expressed a desire to meet the wishes of the industry, had an interview with the Executive Committee, when the

insufficiency of rolling-stock, difficulties with regard to sidings, and the high transport rates were referred to. The contracts for sidings were amended, and it was stated that additional trucks were on the way from Europe; but, though it was admitted that the rates were high, no prospect of an early reduction was held out. The proposal for a line to the south of the main reef was submitted, and was favourably entertained, but no active steps were taken to carry it out till last year, when the Volksraad refused to sanction construction, on the ground that the information before them was insufficient. This year it is hoped the necessary authority will be granted, and the Chamber has memorialised the Volksraad with regard thereto.

Early in 1893 companies complained to the Chamber of scarcity of coal, and in some cases operations had to be suspended. The Chamber entered into telegraphic communication with the Government, urging that the strongest pressure should be brought to bear on the Netherlands Railway Company to compel it to fulfil its obligations to the mining companies. No replies were, however, received. In May complaints against the company were renewed, and a telegram was again sent to Government asking it to give its earnest attention to the matter. This time a reply was received stating that the telegram *re* coal transport had been referred to the Government Commissioner for Railways, to whom in future communications on railway matters should be addressed. The Chamber thereupon telegraphed to the Railway Commissioner pointing out the urgency of the case, but failed to elicit a reply. About a fortnight later the Chamber wrote to the Commissioner informing him that since the last communication further complaints had been received with respect to the Netherlands Railway Company failing to deliver coal to the mines, owing to an insufficiency of trucks, and pointing out that the company should be compelled to provide an adequate number of trucks for coal transport, or allow the companies to do so. Again there was no reply. In the middle of June the Chamber telegraphed to the Commissioner on the same subject, and at last, through the Assistant Commissioner, an answer was obtained, but it amounted mainly to an excuse for the negligence shown by the railway company, adding, however, that, if the Chamber could obtain the loan of trucks from the Cape Government Railways, the Netherlands Company would pay for them. In July, in response to the repeated representations of the Chamber, the Commissioner came to Johannesburg to hear complaints, when the Chamber's deputation laid stress on the fact that the railway company should not only secure sufficient trucks for transport of coal, but should grant greater facilities for the construction of sidings to the mines; the desirability of a line to the south of the main reef was also urged. After this, owing to the arrival of trucks from Europe, the transport service improved.

In June, 1895, owing again to insufficiency of trucks, the coal transport service of the Netherlands Railway broke down, and the danger of mines having to suspend operations became imminent. In these circumstances the Chamber appealed to the Cape Government Railways to lend the Netherlands Company as many trucks as they required, and the appeal was at once fully responded to. The prompt action of the Cape Railways averted what would have been a serious industrial crisis; but a letter to the Netherlands Railway Company, sent a few days later by the Chamber, asking them to expedite the return to the Cape of trucks bringing up goods, so that there might be no necessity for sending back those lent for coal transport, was not even replied to.

In May, 1896, the old condition of things recurred. Once again the railway company was unable to deliver coal to the mines in sufficient quantity. The Netherlands Company was addressed on the subject, and a copy of the letter forwarded to the Government, with a request that they would use their influence to induce the company

provide sufficient trucks for coal transport. No reply was received from overnment.

The present rates for transport of coal on the Rand Tram, according to the sliding ileage scale for coal, vary from a maximum of 3d. per ton per mile to a minimum of 2d. r ton per mile; the average for distances up to 40 miles being 2½d. per ton; the charge om Springs to Johannesburg being £3 4s. 2d. per 10-ton truck, for which on the atal system for the same distance only 12s. 11d. would be paid; while the same mpany's rate to Delagoa Bay is ·54d. per ton per mile; in the Cape the coastward te is ½d. per ton per mile; the inland rate 1d. per ton per mile; in the Orange Free ate the rate is ½d. per ton per mile; all on the basis of a 2,000 lb. ton; in Natal the te is ½d. per ton per mile for the 2,240 lb. ton. This comparison shows that the rate r carrying coal from the collieries in the vicinity of the Rand to the gold mining mpanies cannot be described as other than extortionate.

To sum up the position we may draw attention to the fact that the Netherlands ailway Company earned last year, over and above the working expenses and uaranteed interest on loans and capital, the sum of £1,330,000. They also enabled -we might fairly say forced—the Cape and Natal lines to earn £1,801,000 profit, sides 4 per cent. interest on their capital. That is, the Transvaal consumers were xed to the extent of £3,131,000 for the benefit of these three railway administra- ons.

The Chamber recently presented a memorial to the Volksraad asking that pro- sion may be made for the expropriation of the Netherlands Company's railways; id, in its opinion, this will prove the only effectual means of preventing the system overcharges, which, it must be presumed, will always be attempted by a purely mmercial monopolist enterprise, and for utilising the railway system to the fullest tent for the development of the mining industry and the advancement of the neral interests and prosperity of the country.

GOLD THEFTS.

In 1891, in its memorial to the Volksraad, asking for amendment of the Gold aw, the Chamber also urged the necessity of provision being made for the detection id punishment of thieves and receivers of gold. And it may at once be stated that the olksraad has favourably received and given effect to the suggestions of the Chamber ith regard to amendments to the Gold Law, imposing restrictions on the purchase and ssession of raw gold, etc., and providing penalties for breaches of the law. But the ilure to provide adequate protection to the mines has been, and still is, due to faults administration. The law provides for the punishment of offenders, but no efficient achinery exists for bringing them to justice. Thefts have, therefore, gone on actically uninterruptedly since the early days of gold mining here, though the com- nies have endeavoured to protect themselves by all the means in their power; and cept for an occasional prosecution the receivers have been able to prey on the dustry with virtual impunity.

In 1892 in their memorial to the Volksraad on gold thefts, the Chamber asked at the Government should be authorised and requested to make regulations for the tablishment of some public body or institution, or other systematic means or achinery for detecting thefts and illicit dealings in gold and other precious metals.

In 1893 in their memorial the Chamber asked the Volksraad to make provision r the appointment of a Government Board at Johannesburg, with a special tective force attached thereto; working under regulations best calculated to inimise the thefts of gold and illicit dealings therein. The subject was referred to a ecial commission, which reported as follows: "The Commission recommends that the

petition be referred to the Government with instructions (1) to draw up, in conjunction with the Minister of Mines, such regulations as they may consider to be in the interest of the gold mining industry; to publish same, and lay them before the Volksraad next session; and (2) to instruct the Government provisionally to take such special measures as may be deemed necessary to suppress thefts of gold and amalgam. The necessity of the above recommendation has appeared to us, not only from the petition itself, but also from the information given by the Minister of Mines and members of the Chamber of Mines." After a three days' debate, the Volksraad resolved to disapprove their commission's report, and refer the petition to Government.

In 1894 the Chamber spent £1,070 in getting evidence in connection with the thefts of, and illicit dealings in, gold; and on the 10th April of that year a deputation went to Pretoria and interviewed the State President and Executive Council. The State President stated that he was satisfied that something ought to be done to diminish thefts of gold, but would not bind himself to establish a special detective department; he, however, favourably entertained a proposal for placing a sum on the estimates for the maintenance of extra police, and asked the Chamber to submit their proposal in writing. This was done; the proposal being as follows: (1) The Chamber engages to provide a sum equal to that set apart by the Government; (2) the police referred to shall be employed solely in connection with the detection of thefts of, and illicit dealings in, raw gold, amalgam, etc., and in taking measures for the suppression of these crimes; (3) the proceeds of all raw gold, amalgam, etc., that may be received shall, after the deduction of rewards or bounties to the police, and of the cost of maintenance of the force, be passed to credit of account, and such balance as may be to credit at the close of the year shall be divided equally between the Government and the Chamber, for the reduction of the respective contributions which may have been made; (4) the police referred to to be appointed by and be under the control of the Government; details to be arranged later; (5) this arrangement shall be in force for one year. The Government replied "that a sum of £6,000 had been placed on the estimates for detectives. On confirmation of this item by the Volksraad, the Government will be prepared to set aside therefrom a sum of £2,000 as soon as your Chamber contributes a like amount. This combined sum of £4,000 will be applied to the purposes described by your Chamber, under the express condition stated at the interview relating thereto, of absolute Government control and direction." The Chamber thereupon resolved that the action of the Executive Committee be confirmed, and that the sum of £2,000 be contributed to the maintenance of special detectives, as recommended. In July the Government were informed that the Chamber was prepared to contribute £2,000, subject to the Government providing a similar amount, for the purposes detailed in the letters exchanged, whenever required to do so.

In February, 1895, the Chamber wrote to the State Attorney with reference to gold thefts, and asked that the arrangement with the Government for the appointment of detectives to be engaged solely in the suppression of gold thefts, should be carried out, the Chamber having undertaken to contribute £2,000 for the purpose; and in conclusion said: "The Chamber hopes that you will at the earliest opportunity bring the matter under the notice of the Government, and point out that strong measures are needed, not only for the protection of legitimate industry, but also for the removal of the scandal occasioned by crime being carried on on a large scale with practically absolute impunity." The receipt of the letter was acknowledged. The difficulty in connection with carrying out the arrangement was that Government would not appoint a special gold thefts detective force. In 1895 amendments were asked for in the gold thefts section of the Gold Law and were adopted by the Volksraad.

This year the Chamber has in a memorial appealed to the Volksraad to make provision for the appointment of a Government Board at Johannesburg, with a force of special detectives under its control, for the suppression of thefts of, and illicit dealings in, gold.

It will be noticed that since 1892, the Chamber has been endeavouring to secure this necessary measure for the protection of the gold mining industry.

BEWAARPLAATSEN MINING RIGHTS.

In 1891 the companies found it necessary to acquire ground at some distance from the mines for the carrying on of their operations. This they did by taking areas under ordinary claim licence, but as this licence gave no title to use of the surface, bewaarplaatsen licences were also obtained. They were then advised to stop paying claim licence, as the bewaarplaats licence fully secured their rights, the Volksraad having that year passed an amendment to the Gold Law, by which digging under bewaarplaatsen was prohibited; and at the same time an annexure was attached to the Gold Law, containing certain regulations, providing that the holder of a bewaarplaats licence should have a preferent right to the minerals.

In 1892, at the instance of the Government, the Volksraad again amended the law, authorising the Government, subject to certain conditions, to grant permission to mine under bewaarplaatsen and other reserved areas. The Chamber thereupon endeavoured to get a rider attached to this amendment, giving the holder of the surface rights a three months' preferent right to take out mining rights, but did not succeed. It was currently reported that a group of speculators, cognisant of the contemplated alteration of the law, had already applied to Government for the mining rights under bewaarplaatsen, and the companies in self-protection also lodged applications. An announcement was then made that no application sent in prior to the 1st September would be entertained, and that in dealing with applications the question of preference would be matter of careful consideration. Both the State President and the Minister of Mines gave verbal assurances that no injustice to the mining companies would be permitted. On the 1st September the companies accordingly filed new applications, but up till now their receipt has not been acknowledged, nor within our knowledge have they ever been considered.

In 1893 the Chamber presented a memorial to the Volksraad on this subject. It was then referred to a special commission, which recommended certain further amendments to the law; one, in accordance with the Chamber's request, providing that the owner or occupier of bewaarplaatsen should have a preferent right to the mining rights in question over all other applicants. The Volksraad, however, decided to defer consideration of these amendments till the next session, and to have the law with the proposed amendments published as a draft law.

In 1894 the Chamber memorialised the Legislature again, and the Second Volksraad, after a protracted debate, adopted the draft law virtually as published, Article 21c providing that "such rights (mining rights) shall be granted to holders of machine stands, water rights, etc." An effort was made by the Government to induce that body to reconsider its decision, which, however, only drew forth a resolution not to alter the law as already passed.

The First Volksraad adopted the law in principle without making any alteration; but the bewaarplaatsen articles could not come into operation until the regulations controlling mining in these areas had been approved by the Second Volksraad; and, as the Government failed to submit the regulations before the close of the session, the whole matter was shelved for another year.

In 1895 the Chamber sent in another memorial. The Gold Law had, at the request of the Chamber, been codified, and in this form it came before the Second Volksraad for confirmation. The articles referring to bewaarplaatsen mining rights were passed with some minor alterations, but the provision that these rights should be given to the surface-holders, was left unchanged. In the First Volksraad the Government tried to secure an important amendment, providing that mining, except by or in the name of the State, should be prohibited under certain areas, and that the Government should be allowed to grant these rights to others when it was not intended to exercise the State's privilege. The chief alteration suggested was that affecting the preferent right of the surface-holder, which had already been confirmed by the Second Volksraad and approved in principle by the First, by substituting a new article, stating that "for the obtaining of these rights, etc., shall be taken into consideration," in place of the existing article which laid down that "these rights shall be granted to, etc." The First Volksraad, however, would not go further than referring the articles back to the Government, with instructions to print the Gold Law as amended by the Second Volksraad, and include in it any further amendments which they wished to submit to the Legislature. A few days later the draft law including the Government's amendments, was printed and laid before the House, and that body was asked by the State President to depart from the Order and at once to consider the amendments. This was done, and a two days' debate ensued. In its course it was pointed out that the articles under discussion had been passed by the Second Volksraad, on whom the duty of framing the Gold Law had been specially devolved, and had been confirmed by the First Volksraad. A resolution was finally passed, not to accept the Government's proposals, but to suspend the articles referring to undermining rights for a year, instructing the Government meanwhile to obtain further information.

In 1896 the Chamber presented a memorial to the First Volksraad, asking them to confirm the articles as passed by the Second Volksraad, but although no fresh information was submitted by the Government, the First Volksraad overrode the decision of the Lower Chamber, and stultified their own action of the two previous sessions by affirming the principle that mining rights under bewaarplaatsen, water rights, etc., shall be sold by public auction, one-half of the proceeds going to the Government and the other half to the owners of the farm.

This year the Chamber has again memorialised the Second Volksraad, pointing out that the mining companies are of opinion that they have been deprived of their equitable and legal claim to the mining rights under bewaarplaatsen, etc., by the First Volksraad, and asking that the amended articles as adopted in 1894, may be restored in the law.

CEMENT DUTY.

In July, 1892, the Chamber was informed that an application had been made to Government to impose an import duty of £1 per cask on cement. A memorial was thereupon sent to the State President and members of the Executive Council, pointing out that, in the opinion of the Chamber, sufficient protection was already afforded to the local factory by (1) the then existing import duty of 5 per cent.; (2) the heavy expense of importation from Europe, which amounted to £2 per cask; and (3) that the burden which would be imposed upon the industry by such extra duty would be a constantly increasing one, as cement was being used in large and steadily growing quantities; and a request was made that any attempt to increase the duty should be opposed. Mr. Jan Meyer, M.F.V., for Witwatersrand, was also asked to offer strenuous

position to the proposal, and replied that he would do his best. Nevertheless the ty was raised to £1 per cask.

In 1893, the Chamber presented a memorial to the Volksraad, setting forth that ment was largely used in mining works and in the erection of buildings generally; at the English cost was 5s. 6d. per cask, and the cost of importation 34s. per cask, d that the tax was unduly burdensome on the mines and the general public, finally aying that the duty might be reduced to 5 per cent., at which it had stood till the evious year. But the memorial to the Volksraad was as fruitless as the one to the overnment had been, though at the time the manufacture of cement in the Transvaal d practically come to a standstill. In 1894, the Chamber again addressed a memorial the Volksraad, repeating its former arguments; stating further that the cement ctory was not working, and asking for the repeal of the £1 duty. This time a easure of success was attained, the special duty being reduced to 12s. per cask, at hich, *plus* 7½ per cent. *ad valorem*, it now stands. Last year, according to returns rnished to the Chamber, 22,165 casks of cement were used by 81 companies, and it evident how undue a proportion of the total cost is attributable to the heavy import ty.

CONCLUSION.

In the foregoing statement, the chief burdens and grievances of the mining dustry have been briefly touched upon, but others, in some cases of a serious nature, ve been omitted, from a desire not to produce too lengthy a document. In this tegory we may cite the import duties on food-stuffs, which largely increase the cost white and native labour, and which as far back as 1890 the Chamber tried to get pealed; and the constant vigilance which it has been absolutely necessary to exercise prevent articles used in mining from being artificially increased in price through ivileges to be granted to individuals under concessions, factory contracts, or, as in the se of cyanide, a State cyanide monopoly; while the endeavour to interfere with the igh Court, by means of an amendment to the Patent Law, and so render nugatory y judgment in favour of the mines which it might give in the cyanide case, was only feated by the barest majority. Fortunately, the action of the Chamber backed by e support of a majority in the Legislature, was successful in these particular cases; t the fact that year after year the mines have been threatened with the laying on of ditional burdens, in some form or other, constitutes a real and solid grievance.

The appointment of your Commission may, it is to be hoped, be taken as an rnest that the value of the mining industry as the mainstay of the country is now preciated, and that it is the intention of the Government and the Legislature to ord it relief from the intolerable burdens which at present render mining operations many cases utterly unprofitable.

The memorials which the Chamber has presented to the Volksraad this year are ached hereto in the expectation that they will receive your support.

We have the honour to be,

Hon. Sir and Gentlemen,

Your obedient servants,

JAMES HAY, *President.*

G. ROULIOT, H. F. STRANGE, *Members of Executive Committee.*

A. R. GOLDRING, *Secretary.*

II.

MEMORIALS OF THE WITWATERSRAND CHAMBER OF MINES TO THE VOLKSRAAD.

Presented 3rd May, 1897.

PATENT LAW.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That a Concept Patent Law has been published in the *Staatscourant*, and will be submitted to your Honourable House to be dealt with.

That a number of amendments to the existing law are contained in the Concept Law.

That your memorialists respectfully desire to point out that the following proposed amendments will be against the interests of the State and the mining industry:—

(*a*) Article 4a provides that the term "new invention" shall include every invention that before the aforementioned time was not generally and with practical result in use in the branches of trade and industry to which the invention has reference. This portion of the article your memorialists wish to oppose on the ground that a new invention may be made by a person who does not desire to derive any financial advantage from his discovery, but places it freely and fully at the disposal of the whole world content with having added to the sum of knowledge and benefited mankind. This invention may, however, not be applied practically to trade and industry; and later someone may claim to have arrived independently at it and apply for a patent. The granting of such a patent would obviously deprive the world of the benefit conferred upon it by the disinterested action of the first inventor, and would allow another person to reap the fruits which have voluntarily been foregone by him.

(*b*) Article 8.—The amendment to this article makes it permissive for an applicant to lodge a description in his own language, in addition to the compulsory translated description in the language of the country. The translations by sworn translators, especially in the case of specifications involving the use of technical terms and dealing with complex chemical processes, have, within the experience of your memorialists, frequently been found to be unintelligible, and have proved a great difficulty to persons having an interest in ascertaining the nature of the invention for which the granting of a patent

is requested. It is therefore desirable that the applicant should be compelled, as at present, to lodge one description in his own and one in the official language.

(c) Article 25a.—This article, which it is proposed to insert in the existing law, is, in the opinion of your memorialists, wrong in principle, and in practice will prove impracticable. For, in the first instance, it limits the duration of a lawsuit, a matter which rests with the discretion and judgment of the Court before which the case is brought; and in the second it is retrospective. In a recent important patent case the time occupied was, through the necessity of allowing the appointment of commissions to take evidence in distant parts of the world, extended far beyond the period mentioned in the above article, and it is clear that in future actions a similar procedure may have to be followed. Thus if this article were passed it would involve an encroachment on the powers and privileges of the High Court, and would probably be the means of justice being denied to litigants.

That having stated their objections to certain proposed alterations to the law, your memorialists would respectfully submit that it is desirable that the provisions of the 5th paragraph of Article 13 should be applied to applicants as well as to objectors. That is, that when an applicant is resident abroad, or possesses no fixed property within the State, an objector shall be entitled to claim that such applicant shall lodge security for the payment of costs to the satisfaction of the Commissioner, and that if such security be not lodged, the Commissioner shall refuse to consider the application. In support, your memorialists would submit that they have opposed the granting of many patents in the interest of the State and the inhabitants, and that in nearly every case they have succeeded. But, though in refusing the applications the State Attorney has given costs against the applicant, your memorialists have seldom been able to recover them from persons residing abroad and not having fixed property within the State. The course pursued by your memorialists proves that persons constantly apply for patents to which they are not entitled, and in many cases evade the payment of the costs given against them, thus imposing a heavy burden on your memorialists and others who may take steps to protect the public against the encroachments of individuals.

Your memorialists therefore pray that for the foregoing reasons your Honourable House will reject the proposed amendments:—

Article 4a.—So far as regards the second portion of the first paragraph.

Article 8.—Regarding the substitution of permissive for compulsory lodging of a description in the language of the applicant.

Article 25a.—In its entirety: and will amend Article 13 in the manner asked for in the memorial.

And your memorialists will ever pray.

GOLD THEFTS.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That the mining companies of the Witwatersrand Goldfields sustain very heavy loss through thefts of amalgam and other metallic and chemical combinations of gold.

That from cases which have occasionally come before the Courts and from other information which from time to time has been laid before your memorialists, it has been clearly shown that this plundering of the mining industry is carried on in an organised and systematic manner, and that a combination exists between dishonest employees engaged in and about the works of the companies and the illicit buyers outside, who, for the most part, carry on a legitimate business, but use it mainly as a cover for their nefarious transactions.

That the mining companies have in the past, and do still, exercise all possible vigilance to prevent these thefts, but, so far, have been, and still are, unable wholly to do so, owing to the temptations placed in the way of their employees by the illicit buyers.

That there is reason to believe that with the expansion of the mining industry thefts and illicit purchases of gold have increased in volume.

That the provisions of the Gold Law and the efforts of the detective force have proved insufficient, either for suppressing these crimes or, to any appreciable extent, for bringing the criminals to justice.

That experience has demonstrated that the ordinary detective force is not adequate for the due protection of the mining companies, but that it is necessary that special means should be provided for the detection of the thieves and receivers and for bringing them to justice.

Wherefore your memorialists humbly pray your Honourable House to make provision for the appointment of a Government Board at Johannesburg, with a force of special detectives under its direct control, working under regulations the best calculated to suppress the crimes referred to in this memorial, and so afford the industry efficient protection from the criminal classes now preying on it.

And your memorialists will ever pray.

DYNAMITE.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That in the report of the Dynamite Commission appointed by your Honourable House last session, it is *inter alia* pointed out:—

1. That the agent has failed to carry out his contract with the Government to establish factories adequate for the manufacture of explosives in accordance with the requirements of the country within the time fixed, and that even within the further 2½ years which the Government have allowed him, he will still be unable to do so.

2. That irrespective of the profit on explosives made at the factory, a profit of £2 per case is made on explosives imported at the cost of the State, of which the agent takes 35s. and the Government 5s. per case.

3. That during the four years 1897 to 1900 inclusive, it is estimated that at least 430,000 cases of explosives will have to be imported, which, if imported by the State direct would benefit the Treasury to the extent of £860,000, and, if dealt with as at present would give the State only £107,500, a difference to the detriment of the State of £752,500.

4. That there is no prospect that the production of explosives will be independent of the importation of some of the raw materials.

That from the foregoing it is perfectly clear that the State monopoly has not resulted in rendering the Republic independent of the importation of raw materials, or even of manufactured explosives, and that there is no prospect, at anyrate with regard to raw materials, that it ever will do so; and that moreover while the State finds the money for the importation of explosives the agent takes most of the profit, so that the mining industry is heavily burdened in order not that the State but that the agent shall benefit.

That Nobel's offered in 1893 to supply dynamite No. 1 in Johannesburg, down to 40s. per case free of duty, and if 5s. per case duty be added, which is the amount the agent pays to the Government, the cost would still be only 45s. per case; while at present your memorialists are paying the agent 85s. per case.

That the Chamber has good grounds for stating that dynamite can to-day be delivered at the price quoted above; that your memorialists have in their possession reliable information to that effect, and are prepared to place this information at the disposal of the Government, and in other respects to give all the assistance in their power.

That the Volksraad Commission state in their report that, according to returns given them by the Government Agent, the present demand for the whole country is 200,000 cases per annum.

That the difference between the price paid to the agent and that at which dynamite can be imported being 45s. per case, and the consumption for the year 200,000 cases, the burden laid on the mines for the current year in respect of dynamite amounts to £450,000, of which the Government will receive only £50,000, being at the rate of 5s. per case.

That, under the circumstances, viz.: that the agent has not fulfilled the terms of his contract; that the State monopoly has failed, and must necessarily fail, to realise the aims for which it was established; and that the high charge for dynamite imposes a heavy burden on the mining industry, it is desirable, in the best interests of the country, that the industry shall be relieved from any longer paying excessive prices for explosives.

Wherefore your memorialists will ever pray that your Honourable House may be pleased to take such steps as will relieve the mining industry from the burden which the present high prices of dynamite impose on it.

And your memorialists will ever pray.

LIQUOR LAW.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That the provision made in Law 17 of 1896, absolutely prohibiting the sale or barter of wine, strong drinks, or malt liquor to any coloured person is calculated to greatly and permanently benefit the mining industry, and to decrease accidents and crime among the natives employed at the mines.

That when the law came into force at the beginning of the year, there was a marked decrease of crime, and an almost total disappearance of drunkenness among the mine natives, and your memorialists received most encouraging reports of the

improvement in the efficiency of native labour, and of the greater quiet and orderlines prevailing along the line of the main reef.

That latterly, however, there has been a revival of drunkenness among the natives at some of the mines, particularly in the immediate neighbourhood of Johannesburg.

That this is due to the illicit sellers, who make large profits by supplying the natives with liquor in defiance of the law, and can only be remedied by the exercise of greater vigilance and activity on the part of the police.

That notwithstanding this revival of drunkenness at some of the mines, the prohibition of the sale of liquor to natives has proved of real and substantial benefit to the mining industry as a whole.

That Article 16 is equally necessary for the protection of the mining industry, and for the prevention of drunkenness among the natives.

Wherefore your memorialists pray your Honourable House to uphold Article 5, of Law 17, of 1896, prohibiting the sale or barter of strong liquor to natives, and Article 16 of the same Law, which prohibits the granting of liquor licences within mining areas, and to afford such relief with regard to the illicit trade in liquor as your Honourable House may deem fit, and for this purpose to provide for a Government Board at Johannesburg, with a special force of detectives under its control, working under regulations the best calculated to attain the end desired.

And your memorialists will ever pray.

DISPOSAL OF TAILINGS AND SLIMES.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That your Honourable House postponed the operation of Article 10 of the Mining Regulations for one year.

That your memorialists would now respectfully point out that the adoption of this article would cause great inconvenience and loss to mining companies, and would interfere with the operations of the mining industry.

That for purposes of convenience or trade, a portion of the township of Johannesburg, and the villages along the line of main reef, have been built in close proximity to the mining companies, and that such difficulty as has arisen is attributable, not to the mining companies, but to those persons who have built in the immediate vicinity of the mines.

That the mining companies are, however, desirous of preventing, if possible, or, at least, minimising the inconvenience with which Article 10 aforesaid is intended to deal.

Wherefore your memorialists pray your Honourable House to again postpone the operation of this article until the matter has been fully considered, and means found, if possible, for overcoming the difficulty without unduly hampering mining work.

And your memorialists will ever pray.

PASS LAW.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That great difficulties have been experienced in connection with the working of the Pass Law, Law 31, 1896, and considerable trouble, inconvenience, and loss of money have been caused to the mining companies thereby.

That the regulations contained in this law were passed with the twofold object:—(1). Of establishing thorough Governmental control over the natives employed in the mining districts. (2) Of protecting the companies as far as possible against their native labourers deserting.

That neither of these objects can be said to have been attained; and, in especial, desertions constantly occur without employers being able to obtain redress, to the very serious loss of the mining companies which pay large sums to have natives brought to these fields.

That this is chiefly to be attributed to the inefficient administration of the law.

That while an ample revenue for all administrative and other purposes in connection with this law is provided by a Pass Tax of two shillings per month, levied on each native employed in a proclaimed district, the staff of officials entrusted with the carrying out of the law is inadequate, and, moreover, there is no special police force for the service of the department for tracing and following up deserters.

That the facilities afforded for the taking out of passes and badges are insufficient, and the arrangements for dealing with cases under the Pass Regulations cause unnecessary loss of time and money to the mining companies.

That as a consequence of these shortcomings, while the companies are harassed and their work is impeded by such measures as the inspection of passes and badges, and by their officials having to attend Courts held at a considerable distance from the mines, they do not receive the protection and assistance contemplated by the regulalations, but endure the inconvenience without deriving the benefit expected from the new law.

Wherefore your memorialists pray:—

1. That the three districts of the Witwatersrand may be placed under the control of a chief administrator acting under a Government Board, of which he shall be a member, and working under regulations the best calculated to secure the proper carrying out of the law, and who shall have authority over the Pass officials in charge of the different districts and receive periodical reports from them, so that there may be effective supervision and united action.
2. That the staff of the Pass Department may be increased sufficiently to enable it to successfully cope with the work devolving on it.
3. That a special body of police may be appointed to assist the Pass Department in carrying out and enforcing the regulations.
4. That sub-offices for the issue of passes and badges may be established along the mines.
5. That special judicial commissioners may be appointed at convenient places to deal with offenders under the Pass Law; so that the great loss of time and money involved in the officials and the native employees of the companies having to attend a Court at a great distance from the mines, and in which delays are frequent owing to pressure of other work, may be avoided.

6. That a new article may be inserted in the law providing that natives arrested, after having left a proclaimed field, for not having a travelling pass, shall be taken back to the district from which they came, so that they may be punished by the authorities of that district, and, if shown to have deserted from a company or other employer, after having undergone the punishment, be returned to such company or other employer to complete their term of contract.

And your memorialists will ever pray.

MINING UNDER BEWAARPLAATSEN, ETC.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That last year the Honourable First Volksraad resolved to maintain the prohibitive provisions of Article 121 of the Gold Law of 1893, till such time as the First Volksraad and the Government are satisfied of the necessity of removing the prohibition, and that in such case, subject to certain conditions, the undermining rights shall be sold by public auction to the highest bidder.

That your memorialists are of opinion that they have sustained injury by this decision; for in the annexure to the Gold Law of 1891, concerning brickmakers, &c., the principle is laid down that the holder of a bewaarplaats or dwelling-site licence shall, in the event of the presence of gold or silver or one of the precious metals or stones being suspected or discovered on the ground covered by such licence, enjoy the preference to obtain, in addition to the ordinary licence, a licence to prospect or dig on such ground; and so far back as 1892 the mining companies of the Witwatersrand, in conformity with the provisions of the then-existing law, made formal application for the mining rights under bewaarplaatsen, water rights, &c.

That the Honourable Second Volksraad in its amendments to the Gold Law, provided that the holder or possessor, under the Gold Law, of *bona fide* stands on which buildings are erected, machine stands, and water rights, shall be preferred before all others in the grant of the undermining rights in respect of such building stands, machine stands, and water rights.

That the mining companies which have developed the reefs of the Witwatersrand, and thereby demonstrated the value of the ground lying below the localities mentioned, are of opinion they have been deprived of their equitable rights, and also of the legal rights conferred under the annexure to the Gold Law of 1891, above referred to; whereby areas which, through them or their agency, might be profitably worked are kept unproductive.

Wherefore your memorialists pray your Honourable House to recommend that the prohibitive provision shall not be enforced in accordance with the amendment of last year, but that the articles referring to undermining rights as published in Law 19 of 1895, shall be restored with the addition in Article 124 of the word "bewaarplaatsen," after the words "machine stands."

And your memorialists will ever pray.

ACQUISITION OF THE RAILWAYS BY THE STATE.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That the Netherlands South African Railway Company charges exorbitant rates for the carriage of goods—rates far in excess of those charged in the Free State and the neighbouring colonies, where there is State ownership of railways, and where, too, greater travelling facilities are offered to the public in connection with special events, such as agricultural shows, etc.

That while the Cape Colony and the Colony of Natal make on their working system about £1,500 per mile, the Netherlands South African Railway makes £3,291 per mile.

That these heavy charges hinder the development of industries and commerce within the Republic and impose a grievous burden on the whole country.

That under the present system no material change can be expected, for the Netherlands Railway Company is a purely commercial enterprise, and a body of shareholders possessed of powers such as those conferred by the Railway Concession will not be content with a fair return upon their investment, but will naturally seek to obtain the maximum possible profit, irrespective of the mischief to the general weal caused by such a policy.

That under these conditions it is desirable in the best interests of the State and its inhabitants that the railway system should be owned and worked by the State, so that it may be made to conduce to the furtherance of the progress and prosperity of the country, and afford cheap means of travelling for the people.

That provision has been made for the expropriation of the railways by the State.

That one of the terms of expropriation, so far as known to your memorialists, being a sum equal to twenty times the average dividends declared during the three years preceding expropriation, it is evident, owing to the increased profits which will be earned from year to year, that the longer the delay in acquiring the railways, the greater will be the amount to be paid to the Netherlands South African Railway Company.

Wherefore your memorialists respectfully pray your Honourable House to take such measures as you may deem advisable for the immediate acquisition by the State of the railways owned by the Netherlands South African Railway Company.

And your memorialists will ever pray.

ROADS TO THE MINES.

TO THE HONOURABLE THE CHAIRMAN AND MEMBERS OF THE HONOURABLE VOLKSRAAD:

The Humble Memorial of the Witwatersrand Chamber of Mines:

SHEWETH:—

That great inconvenience and loss are caused to the mining companies by the bad state of the roads leading to the mines.

That the traffic to the mines is considerable.

That it is desirable that every possible facility should be afforded for the conduct of such traffic.

That *kurveyors* and other persons who undertake the delivery of goods to the mines are liable to sustain bodily injury and to have their draught animals hurt and their wagons damaged through accidents which, from the dangerous condition of the roads, can at times hardly be avoided.

Wherefore your memorialists pray that your Honourable House may provide for the construction of a new road to the mines, or afford such other relief as you may deem fit.

And your memorialists will ever pray.

III.

Report of Witwatersrand Chamber of Mines Committee on Railways.

To the Executive Committee of the Chamber of Mines:

The committee appointed to investigate the relative positions of the various railways in South Africa has now completed its work. The following statements have been prepared with care, and accurately reflect the general disadvantages under which the industry suffers at the hands of the railways. The spirit of the Government to assist the mining industry is interpreted by the admission of all gold mining machinery and materials used for gold mining at 1½ per cent. of the value. This policy, however, is defeated by the railway carriage rates exacted over the Netherlands Railway lines for conveyance, the rates over which section are considered to be phenomenally high.

The comparisons per ton per mile will sufficiently demonstrate this so far as South Africa is concerned; but nowhere in the world is such a highly remunerative tariff permitted. The rates applied to the several divisions, more particularly from the Cape Colony, for the section Vereeniging-Johannesburg-Pretoria, etc., appear to be in conflict with the amended concession granted to the Netherlands Company by the Government, and confirmed by resolution of the Honourable Volksraad on the 25th June, 1890.

An effort has been made to ascertain whether any further amendments or alterations have been accorded to the company which would justify it in levying the rates at present charged, but without success. It is presumed that no authority is competent to amend the provisions of the concession unless the alterations or additions suggested are ratified by the Volksraad, which does not appear to have been done. The following are the clauses under the concession referred to which govern the tariff, namely:—

Part 4. Tariffs for Conveyance—

Article 17.—The concessionary may demand payment to be fixed by him for the conveyance of persons, goods, cattle, etc., and also for the unloading, loading, delivery, and all similar services for wagon hire, etc.

The tariff for the conveyance of persons and goods shall, however, without the previous consent of the Government, never exceed—

For persons, first class, threepence per mile (1⅞d. per kilometre); lowest class, twopence per mile (1¼d. per kilometre).

For ordinary freight goods, sixpence per ton per mile (3¾d. per kilometre), with a minimum of £1 per consignment.

For rough goods (coal, ores of not geater value than £45 per ton, stones, unsawn wood, etc., in quantities of at least five tons), threepence per ton per mile (1⅞d. per kilometre), with a minimum of £1 per consignment.

Article 18.—To all tariffs, and amendments thereto, the necessary publicity shall be given before they are carried into effect, and no tariff shall be amended before it shall have been in operation at least three months.

Article 19.—The concessionary shall be bound to convey, without distinction and without partiality, whatever shall be offered for conveyance, subject to the general exceptions provided for.

The following figures, per ton per mile, illustrate what each railway system derives upon the through traffic to Johannesburg, namely:—

	Normal. 1st and 2nd Class C. G. R. Per ton per mile.	Intermediate. 3rd Class C. G. R. Per ton per mile.	Rough. Per ton per mile.
	d.	d.	d.
Cape	2·34	2	1·3
Orange Free State	2·34	2	1·3
Natal	3·04	3·04	1·94
Portuguese	4·07	3·53	2·44
Netherlands, via Cape ...	7·7	7·7	7·7
„ „ Natal ...	5·06	3·82	3·26
„ „ Delagoa ...	4·27	3·69	2·54

These rates include terminals and cartage.

From this table it will be noticed that, of all the railway systems, the Netherlands Company secure the highest rates out of the traffic. The only physical difficulties encountered by the company in the haulage of its traffic on the Eastern line is between Waterval Onder and Waterval Boven.

The connections from the Cape and Natal are practically flat tracts, and thereby place great advantages within the power of the company for economical exploitation.

The Cape and Natal convey the goods over the longest mileage and varying grades, and, naturally these railways should have a reasonably higher rate, as compared with the Netherlands, to compensate for the additional expense involved in working.

So far as can be ascertained, the company, in fixing the rates from Delagoa Bay and Durban, have taken as the basis the rate from East London, and, after allowing the Portuguese and the Natal Railways their respective local rates, the Netherlands Company appear to acquire the whole balance. An extraordinary dissimilarity appears to exist in the principle of the proportional receipts due to each railway. The Portuguese section, from Lourenco Marques to the frontier, is 55 miles, as compared with 52 miles on the Cape side from Mid-Vaal River to Johannesburg, whereas, from the table annexed hereto, it will be observed that the Netherlands Company only pay the Portuguese at the rate of 4·07d. per ton per mile for normal goods, 3·53d. for intermediate, and 2·44 for rough goods, while for the 52 mile section from Mid-Vaal River to Johannesburg they demand, for all classes of traffic, 7·7d. per ton per mile. If this is done to secure to the company profit on account of the shorter mileage by the Cape, then it would appear that the Portuguese are entitled, on that principle, to the largest amount of revenue per ton per mile, as their line is the shortest, and they secure the smallest aggregate receipts. The table further reveals the existence of a sliding scale of the most unique character, namely:—

On traffic from Lourenco Marques to Komatie Poort, a distance of 58 miles, the Netherlands allow the Portuguese 1s. 7d. per 100 lbs., but gradually, according to mileage, the apportionment of the Portuguese Railway diminishes, until on Johannesburg traffic they only receive 11·2d. for normal goods, 9·7d. for intermediate, and 6·7d. for rough goods for the whole distance, as compared with the all-round rate of 1s. 8d. per 100 lbs. over the 52 mile section, Mid-Vaal River to Johannesburg, by the Cape.

It has been necessary to examine these figures closely in order to appreciate the fact that the Netherlands are following a principle which cannot be equitably substantiated, and which, in business phraseology, is nothing more than appropriating the unwarrantable balances on the rates by each route, based on the longest mileage rate, namely, from East London to Mid-Vaal River.

The argument of the committee is not that the Cape or Natal are taxed too much, and the Portuguese too little, but that the basis of rates is not just to the industry, which already, in other ways, is too heavily burdened. After full and mature consideration, we come to the conclusion that the Netherlands Company has acted beyond its province in regard to rates, and that measures should be taken to remedy the unequal and preposterous charges which are generally being levied on over-sea goods destined to Johannesburg, which is the chief centre of consumption.

If a comparison is drawn between the Netherlands Company's through and local rates, the following result is obtained:—

NETHERLANDS COMPANY'S LOCAL RATES:

	Normal. 1st and 2nd class, C. G. R. Per ton per mile. d.	Intermediate. 3rd class, C. G. R. Per ton per mile. d.	Rough. Per ton per mile. d.
Vereeniging to Johannesburg ...	6·6	5·1	3·1
Pretoria to Komatie Poort	6·1	4·6	3
Elandsfontein to Volksrust	6·3	4·7	3

This comparison conclusively determines two principles:—

(1) That the local rate is considerably less, particularly in the case of rough goods, than the through rate from the Cape and Orange Free State, but more than the rates applied on goods from either Natal or Delagoa Bay; and

(2) That the local rates per ton per mile are practically based upon the same mileage principle, in accordance with Article 17 of the concession, which requires that the same rate must operate throughout the railways, and that no partiality shall be accorded. The Netherlands apply the differential rates only on over-sea goods imported through the respective frontier stations.

It is desirable, in considering these differential through rates which are applied to over-sea traffic, as compared with the uniform local rate in operation throughout all lines within the Transvaal, to refer to Article 13 of the London Convention of 1884, which reads:—

Except in pursuance of any treaty or engagement made, as provided in Article 4 of this convention, no other or higher duties shall be imposed on the importation into the South African Republic on any article coming from any part of Her Majesty's dominions than are or may be imposed on the like article coming from any other place or country, nor will any prohibition be maintained or imposed on the importation into the South African Republic of any article coming from any part of Her Majesty's dominions which shall

not equally extend to the like article coming from any other place or country. And in like manner the same terms shall be given to any article coming to Great Britain from the South African Republic as to the like article coming from any other place or country.

These provisions do not preclude the consideration of special arrangements as to import duties and commercial relations between the South African Republic and any of Her Majesty's Colonies or Possessions.

COAL TRAFFIC.

To draw a comparison of the rates for coal traffic by the various lines will also prove of interest, namely :—

	Per ton per mile.
Cape (coastwards)	½d.
Cape (inland)	1d.
Orange Free State	½d.
Natal	½d. (2,240 lbs.)

Netherlands sliding mileage scale (maximum), 3d. per ton per mile; (minimum,) 0·686d. per ton per mile.

Netherlands to Delagoa Bay, 0·54d.

These rates are station to station.

The above comparison indicates that the Netherlands Company secure the largest revenue from coal as compared with any other railway system. The rate on the Rand Tram varies from 2·92d. to 2·08d. per ton per mile, while from the coal stations on the Eastern line to Johannesburg the rates per ton per mile vary from 1·56d. down to 1d., according to distance. This sliding scale for coal continues to diminish according to distance, until the minimum, ·686d. per ton per mile, is arrived at. A special rate of ·54d. per ton per ton per mile is, however, extended for the conveyance of coal traffic from the Eastern coal stations to Delagoa Bay.

As the coal measures of Brakpan and Springs are adjacent to the gold mines which are fed principally from these stations, the scale, which begins at the rough goods rate of 3d. per ton per mile, and diminishes according to distance, operates heavily against the mines. The Rand Tram presents no difficulties for exploitation, and the close proximity of the mines to Johannesburg is so much in the interests of the company, as the short distance enables the company to secure a comparatively handsome revenue with a minimum number of trucks, the line being well adapted for the expeditious conveyance and delivery of this traffic, and greater receipts per truck are consequently obtained. It is always a source of regret that this coal traffic is not conveyed in bulk, which would thereby reduce the first cost to the mines. The graduated scale operates, therefore, in the opinion of the committee, detrimentally to the interests and progress of the mines, upon the development of which the prosperity of the railway so much depends. The additional expenditure involved in working the deep-level properties necessitates the strictest mine economy, and we think the time has arrived when a further reduction on coal should be obtained. The cost of coal and its conveyance have a large influence in preventing the development of low-grade mines. It is considered that a rate of ½d. per ton per mile would amply compensate the company for its service; the increase in volume of the coal traffic conveyed per month at the reduced rate of ½d. per ton per mile would still maintain the Rand Tram as the premier earning section of the company.

A further comparison of the rates for agricultural produce in through traffic to Johannesburg charged over the various railways is given.

AGRICULTURAL PRODUCE—SOUTH AFRICAN.

Cape, for 23 miles...	½d.	per ton	per mile,	plus terminals.
Orange Free State, for 23 miles	½d.	„	„	„
Natal, for 13 miles	1¾d.	„	„	
Portuguese	2·2d.	„	„	
Netherlands, *via* Cape and Orange Free State...	3·1d.	„	„	
Netherlands, *via* Natal	3·26d.	„	„	
Netherlands, *via* Delagoa Bay	2·3d.	„	„	

It will be observed that while every encouragement is given on all the railways for the transport of South African produce, the Netherlands again derive the greatest benefit.

GENERAL RAILWAY STATISTICS.

We have considered the figures stated in the railway reports for 1895, and generally have based our conclusions upon the results of that year. No information is obtainable for 1896.

Particular attention is directed to the earnings of the various railways per open mile, viz.:—

Cape	£1,504	14	0
Natal	1,312	19	0
Netherlands...	3,291	0	0

The earnings per train mile are:—

	s.	d.
Cape	8	4
Natal	7	11·53
Netherlands	14	7·36

It would be impossible to pass these results without comment. The Cape and Natal Railways earn roughly £1,500 per open mile, based upon rates which are generally considered to be fairly reasonable, while the Netherlands Railway derives £3,291 per open mile, or over 100 per cent. more than the leading railways in South Africa. No one, who is acquainted with the natural advantages enjoyed by the company for economical exploitation, will be able to justify the extraordinary profits obtained, as compared with the other and older railways. The advantages and facilities afforded to the Netherlands Company should enable them to work at a much lower cost than any other line. For instance, the Cape and Natal Railways not only have to encounter extreme physical difficulties (and in each case the railways raise the traffic to an altitude of 3,988 feet and 5,433 feet respectively, after which the Netherlands Railway pursues practically, a level course), but the coal for working has to be obtained from private sources. The Netherlands Company enjoy the advantage of their own coal mine at the Springs. The Cape and Natal Railways obtain their coal supplies from private mines. In the former case the fuel has to be conveyed over the Free State lines at a certain cost per ton before it can be secured by the Colony for ultimate distribution to its various stations. The only comparison, therefore, lies between the Cape and the Netherlands. In the first place, several of the Cape lines are non-paying. The Cape rate is the lowest; the mileage is the longest, and consequently the working expenses heavy. The Cape open mileage is recorded as 2,253 miles, as compared with the Netherlands 471 miles in 1895. The latter railway enjoys a highly remunerative tariff, and the advantage of all its lines being concentrated and payable. The tonnage conveyed during the year mentioned is the last and best argument which can be employed to convince anyone, who will devote himself to a careful study of the facts. The Cape tonnage on goods conveyed

is recorded at 1,158,614 tons of all descriptions of traffic, on which the Cape Government obtains £1,504 14s. per open mile. The Netherlands goods tonnage for the same year is set down as 1,121,226 tons, rather less than the Cape, but the company's earnings are £3,291 per open mile. In each case, it should be noted, both railways practically convey the same tonnage, but the Netherlands receipts exceed those of the Cape by 100 per cent. Further, to work 2,253 miles of line the Cape expends 47·1 per cent. of its total earnings; Natal 52·94 per cent. for 401 miles, and the Netherlands 48·49 per cent. for 471 miles. A consideration of the expenditure per cent. of the earnings, taking the Cape mileage, tonnage, coal supply, grades, etc., will surely prove that the railway best adapted to produce the most economical results, is the Netherlands, yet the working expenses exceed those of the Cape by 1·50 per cent. The profit on coal traffic conveyed over the Rand Tram would cover the whole expenses of the company.

Having followed the interesting results of the working expenses of each railway, the committee would be guilty of a serious omission were not prominent attention directed to one more table. There is no Natal proportion for 1895, as the Natal railway was not open, but in due time the attention of the Chamber will be directed to the figures for 1896.

MILEAGES.

Capetown to Mid-Orange River (Norval's Pont) ...	629 miles.
Port Elizabeth " " " ...	329 "
East London " " (Bethulie)	286 "
Mid-Orange River (Norval's Pont) to Mid-Vaal River	333 "
" " (Bethulie)	329 "
Mid-Vaal River to Johannesburg	52 "
Durban to Natal Border...	309 "
Natal Border to Johannesburg	178 "
Ressano Garcia to Johannesburg	341 "
Delagoa Bay to Ressano Garcia (Portuguese Railway)	55 "

The Cape General Managers' report for 1895 indicates that the gross receipts on their traffic (all descriptions) to and from the Transvaal amount to:—

Proportion to Cape Railways	£1,416,307
Proportion to Netherlands Railways	458,256
Total	£1,874,563

which includes passenger receipts.

This table demonstrates that of the total revenue derived, the Cape secures 75·56 per cent., and the Netherlands 24·44 per cent. As the Johannesburg trade predominates, and the passenger receipts only represent a little over one-third of the goods trade, it will be a fair conclusion to take the mean distance to that point from Port Elizabeth and East London, namely:—

Port Elizabeth to Mid-Vaal River	662 miles
East London to Mid-Vaal River	615 "
	2)1277
Mean distance	638·5 miles
Mid-Vaal to Johannesburg	52 "

or the Cape 92·5 per cent. of the total mean distance as compared with the Netherlands 7·5 per cent.

A further illustration in support of this statement is that for 1896, the goods tonnage exchanged between the Cape and the Netherlands Railway Company was 240,063 tons, or equal to a goods revenue of £388,323, or an average of £1 12s. 4d. per ton. The Johannesburg through Netherlands rate, Mid-Vaal River to Kazerne is 33s. 4d. per ton.

The average cost per mile open on the respective railways is:—

		£	s.	d.
1895.	Cape	9,056	9	1
„	Natal	15,254	17	9
„	Netherlands	15,359	6	10
1897.	Orange Free State...	7,479	4	6

The cost "per ton mile" cannot be determined from the statistics available, as the division of the train miles, passenger, mixed, and goods, are not distinguished; this would probably have been the best comparative table.

1896.—The average aggregate Netherlands earnings for 1896 may be calculated as equal to £3,250,000, of which 50 per cent. may be expected to cover working expenses, leaving a profit of £1,625,000 for division amongst the various interests.

It should not be overlooked that a considerable profit in this case accrues to the Government, but this profit does not anything like represent what could be obtained if the railways were exploited under Government control and supervision. The figures are based upon low averages; it is quite likely the revenue will exceed the amount named. During this year the Natal and Potchefstroom extensions have been opened for traffic.

The Cape Government Railway results for 1896 are:—

Open mileage	2,253 miles
Capital	£21,193,417
Cost per mile open	£9,406 15s.
Net earnings per cent. to capital, exclusive of Orange Free State share	£8 19s. 7d.

GENERAL MATTERS.

Apart altogether from the accepted and general manner under which every form of operation in the Transvaal is handicapped by exorbitant railway rates, monopolies and concessions, there are some disabilities to which attention is directed. Several of the principal firms have therefore been interviewed; there is entire unanimity of opinion in regard to the complaints.

PASSENGER FINES.

The system of permitting guards and other railway officials to fine passengers who may, unfortunately, be necessitated to join a train without having an opportunity of securing tickets, is generally condemned as an arbitrary proceeding. The imposition of fines is a matter which should only come within the power of the Judiciary, by whom punishment is administered. The company practically places a premium upon fraud, as all that is at stake is a fine of £1 in the event of the delinquent being discovered. The system, however, is a distinct hardship upon those who have no wish to defraud the company.

PASSENGER REDUCTIONS FOR SPECIAL EVENTS.

The periodical reductions granted by the company are not sufficiently liberal. As an instance, all Governments in South Africa afford better terms to visitors to

the Johannesburg Agricultural Show than the Netherlands Company. The secretary of the show announces that the passenger facilities over the railways are:—

Natal	Single fare for double journey.
Orange Free State	Half single fare for double journey.
Cape	" " "
Netherlands	Single fare plus 10 per cent., first and second classes.

DEMURRAGE.

Specific details have been received of instances where demurrage has been charged on trucks which have arrived at Elandsfontein and other stations in the vicinity, but were detained pending the issue of Customs permits, which in each case had been duly applied for—in some instances before the trucks had actually arrived. The demurrage for detention to these trucks awaiting permits is demanded by the Netherlands Company from the consignee. No period of time is allowed during which goods must be taken delivery of, the charge having effect from the moment the truck reaches the siding. Demurrage has not only to be paid to the owning railway, but 100 per cent., in addition, is demanded by the Netherlands Company as their proportion, for which no service is rendered.

SIGNATURES FOR CONSIGNMENTS.

With the extension of the mines, Johannesburg-Kazerne Station has ceased to be the point of distribution for many of the more distant mines. Consignments forwarded to sidings at which no stationmaster is appointed must be signed for before delivery is offered, no opportunity being given the consignees to check or otherwise examine the goods prior to signing for them. Any damage or loss afterwards ascertained is repudiated by the company on the grounds of a clean receipt. If signatures are not given as demanded, the goods are taken forward to the next station and there off-loaded, additional charges of every description being incurred, as well as the expenses of delivery back to the point to which the consignment was originally destined.

SHUNTING AND SIDING CHARGES.

Many of the larger mining companies have their own sidings, or make use of sidings provided by the company, but in each case a heavy charge is demanded by the company for shunting, &c., which is considered to be exorbitant.

COMPENSATION FOR LOSS OR DAMAGE.

In the matter of claims, numerous instances have come under notice where consignees have been compelled to accept payment on the basis of 1s. per lb. weight in full settlement of their claims for short delivery and damage. Instances have also been ascertained where claims have been settled in full. This diversity of system should be enquired into, as well as whether the regulations affecting the public have the force of law, as these regulations, although duly published in the Government Gazette, have only the approval of the Executive Council. The company is more than liberally treated by the Government in regard to means of revenue. In the matter of compensation they should be treated precisely as common carriers.

CRANEAGE.

A tariff governing the charges for the use of cranes at the smaller stations is in operation, although the off-loading appears to be clearly the duty of the railway.

PAYMENT OF CUSTOMS.

There is a difference of practice in the payment of duties, but the question is one which does not quite concern the merchant, and has drawn forth no complaint. It is immaterial whether the Customs are paid at the port or upon arrival of the goods. In the case of traffic *via* Delagoa Bay, the Transvaal duties may be either paid at Delagoa Bay, Johannesburg, or Pretoria, whereas duty on goods from Natal or the Cape can only be paid on arrival of the goods at destination.

PAYMENT FOR HEAVY LIFTS.

The rates to Johannesburg and Pretoria include delivery within a 2½ mile radius; a special charge, however, is applied to all articles which exceed 3,000 lbs. weight. This tariff for packages delivered in Johannesburg within the radius is 6d. per 100 lbs.

The statistics compiled point to the necessity for redress and relief from the burdens of heavy railway transport and other concession monopolies under which the mining industry is expected to prosper. The question of railway tariffs for goods from the seaboard requires complete revision, so that each railway shall receive only a fair return for the capital invested, and no railway system enjoys greater freedom and opportunity for assisting the Transvaal in the development of all its mining industries than the Netherlands Company.

The following annexures are forwarded for the information of the Chamber, viz:—

Netherlands Report, 1895,
Netherlands General Regulations,
Natal Tariff Agreement.

JAMES HAY.
GEORGE FARRAR.
J. PERCY FITZPATRICK.

Chamber of Mines,
1st April, 1897.

TABLE OF RATES PER TON PER MILE TO JOHANNESBURG.

"THROUGH" vs. "LOCAL."

NORMAL CLASS.

	Per ton per mile.	
Through Netherlands rate *via* Delagoa Bay	4·27d.	Includes Cartage and Terminals.
" " " Natal	5·06d.	
" " " Cape and Orange Free State	7·7d.	
Local Netherlands Rates	6·6d.	

INTERMEDIATE CLASS.

	Per ton per mile.	
Through Netherlands rate *via* Delagoa Bay	3·69d.	Includes Cartage and Terminals.
" " " Natal	3·82d.	
" " " Cape and Orange Free State	7·7d.	
Local Netherlands rates	5·1d.	

ROUGH GOODS CLASS.

	Per ton per mile.	
Through Netherlands rate *via* Delagoa Bay	2·54d.	Includes Cartage and Terminals.
" " " Natal	3·26d.	
" " " Cape and Orange Free State	7·7d.	
Local Netherlands rates	3·1d.	

ıBLE SHEWING COMPARATIVE RATES PER TON PER MILE

FROM

THE PORTS TO JOHANNESBURG.

PORTS.	Portuguese.		Netherlands.		Cape Railways.		O.F.S. Railways.		Natal.	
	Miles.	Per ton per mile.	Miles.	Per ton per mile.	Miles.	Per ton per mile.	Miles.	Per ton per mile.	Miles.	Per ton per mile.
NORMAL CLASS (1st and 2nd Class C. G. Railways).										
		d.		d.		d.		d.		d.
ɜOA Bay ...	55	4·07	341	4·27	...	...	...	...	...	...
Elizabeth ...	...	...	52	7·7	329	2·33	333	2·33	...	...
London ...	...	...	52	7·7	286	2·35	328	2·35	...	...
ıN	...	...	178	5·06	...	...	...	...	309	3·04
INTERMEDIATE CLASS (3rd Class C. G. Railways.)										
ɜOA Bay ...	55	3·53	341	3·69	...	...	...	...	...	...
Elizabeth ...	...	...	52	7·7	329	2	333	2	...	...
London ...	...	...	52	7·7	286	2	328	2	...	...
ıN	...	...	178	3·82	...	...	...	...	309	3·04
ROUGH GOODS CLASS.										
ɜOA Bay ...	55	2·44	341	2·54	...	...	...	...	...	...
Elizabeth ...	...	...	52	7·7	329	1·3	333	1·3	...	...
London ...	...	...	52	7·7	286	1·27	328	1·27	...	...
ıN	...	...	178	3·26	...	...	...	...	309	1·94

SUMMARY.

RATE PER TON (2,000 Lbs.), INCLUDING CARTAGE AT JOHANNESBURG AND PRETORIA.

To JOHANNESBURG.	Port Elizabeth.	East London.	Durban.	Lourenco. Marques.
1st Class } Normal ...	£9 6 0	£8 16 8	7 13 4	£7 0 0
2nd Class } Normal ...	8 1 8	7 13 4		
3rd Class, Intermediate ...	7 3 4	6 15 0	6 15 0	6 0 0
Rough Goods (5 ton lots)...	5 5 0	4 18 4	4 18 4	4 3 4
MILEAGE.	714	667	487	396
To PRETORIA.				
1st Class } Normal ...	£9 16 8	£9 6 8	£8 3 4	7 0 0
2nd Class } Normal ...	8 11 8	8 3 4		
3rd Class, Intermediate ...	7 13 4	7 5 0	7 5 0	6 0 (
Rough Goods (5 ton lots)...	5 13 4	5 6 8	5 6 8	4 3
MILEAGE.	741	692	513	349

Netherlands Railway Company's Local Coal Traffic Rates.

RATE FOR COAL—RAND TRAM DIVISION.

To	From Brakpan.			To	From Springs.		
	Miles.	Per ton.	Per ton per mile.		Miles.	Per ton.	Per ton per mile.
		s. d.	d.			s. d.	d.
Elandsfontein ...	13	3 2	2·92	Elandsfontein	21	4 9	2·71
Johannesburg ...	24	5 3	2·62	Johannesburg...	32	6 6	2·44
Roodepoort ...	34	6 9	2·38	Roodepoort ...	43	7 11	2·21
Krugersdorp ...	43	7 11	2·21	Krugersdorp ...	51	8 10	2·08

RATES FOR COAL TO DELAGOA BAY AND JOHANNESBURG.

From	To Delagoa Bay.			From	To Johannesburg.		
	Miles.	Per ton.	Per ton per mile.		Miles.	Per ton.	Per ton per mile.
		s. d.	d.			s. d.	d.
Bronkhorstspr'it	309	14 0	0·54	Bronkhorstspr't	88	11 5	1·56
Balmoral ...	293	13 3	0·54	Balmoral ...	104	12 1	1·39
Bruigspruit ..	282	12 9	0.54	Brugspruit ...	115	12 6	1·30
Olifant's River	269	12 3	0·54	Olifant's River	128	13 1	1·23
Middelburg ...	254	11 6	0·54	Middelburg ...	142	13 8	1·15
Pan	241	11 0	0·54	Pan	156	14 3	1·10
Wonderfontein	226	10 6	0·55	Wonderfontein	171	14 10	1·04
Belfast	213	10 0	0·56	Belfast ...	184	15 5	1·00

Natal Government Railways rate for coal (South African) ½d. per ton (2,240 lbs.) per mile.

Orange Free State Railways rate for coal ½d. per ton (2,000 lbs.) per mile in truckloads, station to station.

Cape Government Railways rate for coal, coastwards, ½d. per ton (2,000 lbs.) per mile in truckloads, station to station.

Cape Government Railways rate for coal, inland, 1st 100 miles, 1d. per ton (2,000 lbs.) per mile in truckloads, station to station.

Cape Government Railways rate for coal, extra distance over 100 miles, ¾d. per ton (2,000 lbs.) per mile in truckloads, station to station.

Netherlands Railway Company's Local Traffic,

Per 100 lbs.

LOCAL RATES IN THE DIRECTION OF THE ORANGE FREE STATE

From Vereeniging.	Miles.	Normal (1st & 2nd Class, C.G.R.)		Intermediate (3rd Class, C.G.R.)		Rough Goods.	
		Per 100 lbs.	Per ton per mile.	Per 100 lbs.	Per ton per mile.	Per 100 lbs.	Per t per mi
		s. d.	d.	s. d.	d.	s. d.	d.
To Elandsfontein	40	1 2	7	0 11	5·5	0 6	3
„ Brakpan ...	53	1 6	6·80	1 2	5·3	0 8	3
„ Springs ...	61	1 8	6·55	1 4	5·2	0 9	3
„ Krugersdorp...	70	1 11	6·60	1 6	5·14	0 11	3·1
„ Randfontein...	77	2 2	6·70	1 8	5·2	1 0	3·1
„ Potchefstroom	138	3 7	6·20	2 9	4·06	1 9	3·04
„ Klerksdorp ...	167	4 4	6·20	3 4	4·8	2 2	3·1
„ Pretoria ...	77	2 1	6·50	1 7	4·9	1 0	3·1
„ Johannesburg	51	1 5	6·60	1 1	5·1	0 8	3·1

LOCAL RATES IN THE DIRECTION OF DELAGOA BAY.

From Pretoria.	Miles.	Normal.		Intermediate.		Rough Goods.	
		Per 100 lbs.	Per ton per mile.	Per 100 lbs.	Per ton per mile.	Per 100 lbs.	Per per r
		s. d.	d.	s. d.	d.	s. d.	
To Middelburg ...	95	2 7	6·5	1 11	4·8	1 2	3
„ Barberton ...	283	7 3	6·2	5 6	4·6	3 6	9
„ Komati Poort	291	7 5	6·1	5 7	4·6	3 8	

LOCAL RATES IN THE DIRECTION OF NATAL.

From Elandsfontein.	Miles.	Normal.		Intermediate.		Rough G
		Per 100 lbs.	Per ton per mile.	Per 100 lbs.	Per ton per mile.	Per 100 lbs.
		s. d.	d.	s. d.	d.	s. d.
To Heidelburg ...	34	1 0	7	0 10	5·9	0 5
„ Standerton ...	105	2 10	6·5	2 2	5·1	1 4
„ Volksrust ...	166	4 4	6·3	3 3	4·7	2 1

Comparative Statement of Rates charged for South African Produce.

Cape and Orange Free State Railways, 1 to 22 miles, 1½d. per ton per mile.
23 miles and over, ½d. „ „ plus 1s. 8d. per ton terminals.

Natal Government Railways	Inland	2d. per ton per mile.
	Coastwards, 1 to 6 miles ...	4·16d. „ „
	7 „ 12 „ ...	2½d. „ „
	13 miles and over...	1¾d. „ „

Netherlands Company's Proportional Rates on Produce *ex* Cape, Natal, and Portuguese Railways.

To	*Ex* Cape and Orange Free State.			*Ex* Natal.			*Ex* Delagoa Bay.		
	Miles.	Per 100 lbs.	Per ton per mile.	Miles.	Per 100 lbs.	Per ton per mile.	Miles.	Per 100 lbs.	Per ton per mile.
		d.	d.		s. d.	d.		s. d.	d.
Johannesburg	52	8	3·1	178	2 5	3·26	341	3 3	2·3
Pretoria	78	11	2·82	204	2 9	3·23	294	2 10·6	2·4

Portuguese Railway Company's Rates to Border, on Johannesburg and Pretoria Traffic.

	Miles.	Per 100 lbs.	Per ton per mile.
		d.	d.
To Border on Johannesburg Traffic	55	6	2·2
To Border on Pretoria Traffic	55	5·4	2

General Railway Goods Statistics.—1895.

	Miles Open.	Tonnage of Goods.	Train Miles run.	Earnings per open mile.	Earnings per Train Mile.	Expenses per Open Mile.	Earnings per Train Mile.	Expenses % of Earnings.
		Tons.	Miles.	£ s. d.	s. d.	£ s. d.	s. d.	
CAPE	2,253	1,158,614	8,135,550	1,504 14 0	8 4	708 7 11	3 11·1	47·1
NATAL	401	393,379	1,322,664	1,312 19 0	7 11·53	695 3 1	4 2·58	52·94
NETHERLANDS	471	1,121,226	2,120,970	3,291 0 0	14 7·36	1,418 17 10	6 3·52	48·49

	Miles Open.	Capital Invested.	Nett Receipts % of Capital.	Capital Cost per Open Mile.	Total Earnings.	Total Expenditure.	Balance.	REMARKS.
		£	£ s. d.	£ s. d.	£	£	£	
CAPE ...	2,253	20,404,195	*7 9 10	9,056 9 1	3,390,093	1,596,013	1,794,080	*Exclusive of O.F.S. share.
NATAL ...	401	6,117,211	4 1 0	15,254 17 9	526,494	278,758	247,736	
NETHERLANDS	471	7,234,250	12 3 9	15,359 6 10	1,550,072	668,298	881,774	

ffic to the South African Republic.

DIVISIONS.

	Mileage.		Normal (1st and 2nd Classes).			Intermediate (3rd Class).			Rough Goods.		
	Natal.	Neth.	Natal.	Neth.	Total.	Natal.	Neth.	Total.	Natal.	Neth.	Total.
			s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
...	309	207	3 11	4 5	8 4	3 11	3 3	7 2	2 7	2 8	5 3
...	309	167	3 11	3 5	7 4	3 11	2 6	6 5	2 7	2 2	4 9
...	309	180	3 11	3 9	7 8	3 11	2 10	6 9	2 6	2 4	4 10
...	309	188	3 11	3 11	7 10	3 11	3 0	6 11	2 6	2 5	4 11
...	309	197	3 11	4 2	8 1	3 11	3 3	7 2	2 6	2 7	5 1
...	309	205	3 11	4 7	8 6	3 11	3 7	7 6	2 6	2 9	5 3
...	309	265	3 11	5 11	9 10	3 11	5 0	8 11	2 6	3 5	5 11
...	309	294	3 11	6 7	10 6	3 11	5 8	9 7	2 6	3 10	6 4
...	309	204	3 11	4 3	8 2	3 11	3 4	7 3	2 7	2 9	5 4
...	309	178	3 11	3 9	7 8	3 11	2 10	6 9	2 6	2 5	4 11

		Natal. d.	Neth. d.	
ton per mile to Johannesburg—	Normal Goods	3·04	5·06	Including cartage and terminal charges.
,, ,,	Intermediate Goods	3·04	3·82	,, ,, ,,
,, ,,	Rough Goods	1·94	3·26	,, ,, ,,

RQUES.	Mileage.		Normal (1st and 2nd Classes).			Intermediate (3rd Class).			Rough Goods.		
	Portgse	Neth.	Portgse.	Neth.	Total.	Portgse.	Neth.	Total.	Portgse.	Neth.	Total.
			s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	d.	s. d.	s. d.
't ...	55	3	1 7	0 3	1 10	0 11·4	0 2·6	1 2	9·5	0 0·5	0 10
...	55	81	1 5	2 3	3 8	0 11·7	1 7·3	2 7	8·5	1 0·5	1 9
...	55	199	1 5	5 1	6 6	1 0·1	3 9·9	4 10	8·4	2 6·6	3 3
...	55	294	0 11·7	5 6·3	6 6	0 10·1	4 7·9	5 6	7	3 3	3 10
...	55	331	0 11·7	6 0·3	7 0	0 10	5 2	6 0	7·1	3 6·9	4 2
...	55	343	0 11·5	6 1·5	7 1	0 9·8	5 3·2	6 1	6·9	3 7·1	4 2
...	55	352	0 11·6	6 4·4	7 4	0 10	5 6	6 4	7	3 9	4 4
..	55	341	0 11·2	6 0·8	7 0	0 9·7	5 2·3	6 0	6·7	3 7·3	4 2
...	55	360	0 11·6	6 6·4	7 6	0 10·1	5 7·9	6 6	7	3 10	4 5
...	55	368	0 11·6	6 9·4	7 9	0 10·1	5 9·9	6 8	7	4 0	4 7
n ...	55	428	0 11·6	8 2·4	9 2	0 10·1	6 10·9	7 9	7	4 8	5 3
...	55	457	0 11·6	8 11·4	9 11	0 10·1	7 5·9	8 4	7	5 1	5 8

		Portgse. d.	Neth. d.	
ton per mile to Johannesburg—	Normal Goods	4·07	4·27	Including cartage and terminal charges.
,, ,,	Intermediate Goods	3·53	3·69	,, ,, ,,
,, ,,	Rough Goods	2·44	2·54	,, ,, ,,

Government deemed it fit to express its thanks openly. In connection with the political troubles, the Government made use on the 31st December of its right, as set forth in Article 22 of our concession, to utilise the railway for the conveyance of troops.

In consequence of the decisive attitude adopted by the Government and burghers, the hostile attack upon the independence of the Republic was promptly defeated, and the uproar so soon suppressed, that the extremely undesirable warlike condition of the country lasted only a few days. On the 11th January, the eastern line was handed back to us by the Government, and the other sections of our lines conditionally. During the crisis the ordinary traffic was only stopped for two days, and that between the points Krugersdorp and Johannesburg.

We have every reason to be satisfied with the results of the working of our lines, which have been amalgamated this year.

Notwithstanding the competition by Delagoa Bay, the traffic from the Cape lines has not only maintained itself, but has increased to an important degree, in consequence of the extraordinary increase in the traffic for Johannesburg and the goldfields.

Since the 2nd January, the port of Durban also claims a portion of traffic to Johannesburg and Pretoria at the cost of principally the Cape ports, but through the temporary block of goods traffic during the political disturbances and the colossal importation of goods during the latter months of the year, all the ports were so blocked with goods that until now each of the competing lines has had more than sufficient work. The future will show how the traffic will divide itself over the three routes, and much will depend upon the proper working and the facilities at the harbours.

25th June, 1890. Approval by the Executive Council of the amended concession for the railway line from the Portuguese border to Pretoria, Barberton, Johannesburg and Vaal River.

AGREEMENTS WITH OTHER RAILWAY ADMINISTRATIONS.

No alteration was made in our connection with the Cape Government Railways after the agreement mentioned in our previous annual report. The through rates between the Cape ports and stations in the Republic remained the same as when the Cape Government worked the traffic at Johannesburg and Pretoria, while the rates proportion of both administrations remain as fixed in April of this year.

At the invitation of the Cape Government, a conference of representatives of South African lines was held in April, in Capetown, with a view to discussing railway matters. As the Cape railway administration claimed the right of two-fifths of the traffic to the South African Republic, no arrangement could be agreed upon regarding the rates at the different harbours, and the question was postponed for further treatment, until more particulars had been obtained and the Natal line opened for traffic. The conference had, however, the beneficial result that, by all present the desire was distinctly shown to obtain a unity in the system of the working of railways through South Africa, technically as well as administratively. Some points were submitted for study, the same to be dealt with at the next conference.

In the meantime the ox-wagon traffic between the Vaal River and Johannesburg and Pretoria continued until the commencement of the winter, but through want of forage for the cattle, the transport of traffic from the pont was temporarily suspended. As the Government of the Republic could well see that the ox-wagon traffic, supported by the Cape Government, was only a way to try and compel us to reduce our rate, it

decided to impede this traffic by, when the summer commenced, limiting the clearance of goods at the drift to goods which had only come oversea.

At the same time the rate reduction, which had been allowed by us on agricultural products of the Transvaal, was also granted to products coming from the Orange Free State and the Cape Colony.

The closing of the drifts.—The action of the Government, known by this name, caused in the Cape Colony great dissatisfaction. This step was not only considered as an unfriendly one, but also as an unjust act, and contrary to the existing Convention. Whatever the case may be, the unfriendly feeling caused by this act made it advisable to arrive at an amicable settlement by which in future such a step would become unnecessary.

At the invitation of the Government of the Republic, representatives of the five interested Governments, viz., the Cape Government, Natal, Mozambique, Orange Free State and the South African Republic, met at Pretoria to discuss various railway questions. The Government of the Republic was represented by its Commissioner of Railways, Mr. J. S. Smit, the State Attorney, E. Esselen, and our Director, Middelberg. With the view of facilitating the conference, the Government had temporarily withdrawn the closing of the drifts. A circumstance, however, led that it was not put into working again.

Although the correspondence and discussions which had previously taken place, led us to expect the contrary, it appeared that the representatives of the Cape Colony still upheld the idea declared in April in regard to the dividing of the oversea traffic, by which the Cape railways should be assured of two-fifths during ten years. In consequence of this, all chances of an agreement being come to fell through, and after a long discussion, the effort to arrive at an arrangement had to be postponed, until a further knowledge was obtained in regard to the results of the traffic conveyed via Natal and Delagoa Bay. The existing condition of things, therefore, remained temporarily, and after the conference we had no cause for complaint in regard to our relationship with the other railway administrations.

The events in the Republic at the end of the year did not cause any alteration in our relationship to the Cape Government Railways. Through friendly co-operation every effort was made to overcome the difficulties of the traffic caused by the block of goods, consequent on the temporary stoppage of traffic.

In order to confer with our directors in regard to the steps to be taken, the newly appointed Minister of Crown Lands and Public Works, Sir James Sivewright, went personally to Pretoria in January, and we had the pleasure to receive from him the assurance, on that occasion, that we might count on his friendly co-operation.

PORTUGUESE RAILWAY.

The mutual arrangements arrived at between the administrations regarding through traffic, still remain without the approval of the Portuguese Government. The traffic was worked, however, without great difficulty in accordance with arrangements made. Repeated discussions took place in respect to small alterations or amendments in the tariffs, the results of the meetings generally being satisfactory, although in each case the approval of the Government at Lisbon had to be obtained. On the 15th November, an agreement was entered into at Pretoria with the Director of the Portuguese Railway for the use of our pier at Lourenço Marques for general trade, the pier then coming entirely under the control and management of the Portuguese railway authorities, but we reserved the right of preference for the unloading of our own goods.

For every ton of goods unloaded at the pier we receive a fixed compensation. This agreement was very soon afterwards approved of by the representative of the Government at Lourenço Marques, and remains in force until the 15th November, 1896.

NATAL GOVERNMENT RAILWAYS.

In view of the connection with Natal being completed before the end of the year, various conferences took place for the fixing of tariffs, and to arrange the service. As the preliminary matter for this had been fixed in the agreements of February and April, 1894, the conference only dealt with the details of the case, which gave rise to no particular difficulty, so that everything was properly arranged when the line was opened for traffic.

EXPLOITATION.

On the 1st January, 1895, the following lines were in working order:—

	Length. Kilo.	Miles.
Krugersdorp-Johannesburg	32	20
Johannesburg-Elandsfontein (double line) ...	16	10
Elandsfontein-Springs	34	21
Mid-Vaal Bridge-Elandsfontein	66	41
Elandsfontein-Pretoria	59	37
Portuguese border-Pretoria	472	295
Total	679	424

During the year 1895, the following sections were brought into working order:—

	Length. Kilo.	Miles.
Kaapmuiden-Avoca	28	18
Natal Border-Aansluiting	256	160
So that on the 31st December, 1895, ...	963	602

were in working order.

On the 1st April, 1896, the section Avoca-Barberton was opened for traffic, length, 28 kilo. or 18 miles, so that 991 kilo. or 620 miles are now in working order.

TRAFFIC.

The staff had to work under great pressure, on account of many alterations and the continued increase in traffic.

On the 1st January, 1895, it was necessary to re-organise our goods service to Johannesburg and Pretoria, on account of the discontinuation of the running power contract of the Cape Government, while, at the same time, the traffic on the newly-opened eastern line required every attention.

This was, however, not the cause of the complaints which arose in regard to the working of the traffic during the year.

Through the continued increase of traffic, more especially from the southern ›rts, our arrangements at Johannesburg could not keep pace with the traffic coming ›rward, and this was especially the case during the first half of the year. Our ›rtage contractors at Johannesburg were also not sufficiently equipped for the nount of traffic.

In August and September we feared there would be a serious block at Johannes- ›rg, and only for the great exertions of our staff and the co-operation of the cartage ›ntractors, who were continually extending their plant, we would have been unable › cope with the condition of affairs.

On the eastern line the miserable forwarding of traffic by the Portuguese terfered with the regular working of goods traffic, and the time taken between ›e unloading of the ships and the arrival of goods at destination is still o long.

In order to give the traffic on that line a fair chance, not only are many ›provements necessary at Lourenço Marques, but the Portuguese line requires also to › taken in hand. Locomotive power at the disposal of the railway authorities should › considerably increased. It has already been pointed out in this report that we ›ve been again disappointed this year in our expectations by the Portuguese ›vernment in regard to the harbour railway organisation, and the working of the affic.

On the 27th August we took over the management of the south-eastern line from ›e border to Standerton, and that section was opened for traffic. On the 15th ovember the section Standerton to Heidelberg was opened, and at the same time the ›ods traffic from the border to Heidelberg was started, although originally it was tended to open the line entirely on the 15th November to the south line, but ›avy rains at the commencement of November compelled us to postpone the ›ening.

On the 15th December the entire line was opened for traffic, passengers, parcels, ›ggage, and perishables, while on the 2nd January, 1896, the ordinary goods traffic as allowed.

Since the 15th December a mail train, first and second class, has run daily in ch direction, and a mixed train for passengers, first and second class, natives and rishables, and since the 2nd January a fixed goods train has also run, while ditional goods trains were worked as required.

From the nature of the circumstances the traffic of 1895 was not of much conse- ›ence, but the large increase during the early part of 1896 gives great expectations the traffic over this line for the future, both passengers and goods.

On the Barberton siding, of which the section Kaapmiuden-Avoca was opened on e 1st March, the traffic was satisfactory.

The increase in the local traffic as well as the traffic with the ports compelled us considerably increase our locomotive and rolling stock. Although important orders r rolling stock had been sent, so that each month 7 locomotives and 100 goods trucks ›re being put in running, it was not easy for us to satisfy the reasonable demands th the stock at our disposal.

In consequence of the Kaap River bridge being washed away by a flood on the › February, a block took place. In another part of this report full particulars of is accident are recorded.

At the end of the winter the scarcity of water greatly impeded the favourable ›rking of traffic forward. No other irregularities of any consequence have to be ›orded, and the regular working of our service was satisfactory.

TRAFFIC STATEMENTS.

Of the results of working, of which details are in the enclosures of this report, the following figures give a rough statement:—

	1895.	1894.
Mean length in working	754 kilos.	445 kilos.
Number of day kilo.	275,210 „	162,333 „
„ „ Train „	3,395,553 „	1,608,557 „
„ „ Passengers 1st	296,614	137,462
„ „ „ 2nd	371,979	327,002
„ „ „ (coloured)	399,732	232,991
„ „ „ travelling on Govt. authority	2,273	901
Baggage (English lbs.)	3,056,258	1,562,885
Parcels „ „	4,691,351	2,915,333
Smalls „ „	22,204,004	6,228,825
Ordinary goods „ „	542,468,639	403,003,351
Rough goods „ „	1,677,778,727	1,145,144,513

The receipts were as follows:—

	1895.	1894.	1893.
Passengers and baggage	£329,562 13 5	£152,415 3 3	£124,919 6 10
Goods and live-stock ...	1,031,626 0 4	523,966 6 5	398,378 15 0
Telegraph	3,813 19 3	2,263 15 11	904 13 6
Import duties ...	137,337 2 3	56,536 9 5	47,370 2 11
Sundries	47,731 18 0	62,200 7 0	38,840 1 8
Totals	£1,550,071 13 3	£797,382 2 0	£610,412 19 11

The sundries include the monies earned by letting of refreshment rooms, bookstalls, etc., rent of house, storage, rolling stock in use by contractors, and compensation for the use of our pier at Lourenco Marques.

Cost of Working in 1895	£668,297 15 2
„ „ „ 1894	388,239 15 10
„ „ „ 1893	255,918 0 7

Finally we give here a comparative statement of the principal traffic figures.

	1895.	1894.	1893.
Receipts per kilo. length ...	£2,055 15 11	£1,791 17 5	£1,811 6 3
„ „ day kilo.	5 12 8	4 18 3	4 19 4
„ „ train kilo.... ...	0 9 1¾	0 9 11	0 10 5¼
Cost per train kilo.	0 3 11¼	0 4 10	0 4 4¼
Traffic cost in percentage to receipts	48·49 per cent.	48·68 per cent.	41·92 per cent.

When comparing the above it must not be lost sight of that the larger portions of the line were irregularly brought into working, as the sections were from time to time opened for traffic; this greatly influenced the eastern line in 1893 and 1894, and the south eastern line in 1895.

TARIFFS.

Our principal rates have met with no alteration except a small classification alteration, and the reduction on South African agricultural products.

Some special rates for the conveyance of some goods in local traffic, and for the exportation of some products came into operation this year, together with the tariffs fixed in the past year for through traffic with the Natal Government Railways.

FINANCIAL STATEMENT.

As mentioned in our previous report, the expenditure for the railway line from Charlestown to the connecting point on the southern line near Elsburg, was estimated at £1,250,000, of which an amount of £760,000 would be covered by the Natal Government, £800,000 four per cent. obligation to be sold at 95 per cent.

Of the loan £1,250,000 remained in portfolio £450,000

When in September an offer was made to purchase the obligations in hand in portfolio for more than 100 per cent., the same was accepted and approved of by the Government, and it was decided to discharge a similar amount at 5 per cent. obligation.

When compiling our building account it was found that the means on hand allowed us to increase the amount to £450,000 (5,400,000 guilders) and 6,873,500 guilders in order to reduce the rent.

Therefore, on the 31st December, 1895, the balance of 5 per cent. debentures was paid up, being 3,874,500 guilders and 3,000,000 guilders of the 5 per cent. loan of 1891, which are shown on the balance sheet, representing an amount of 8,940,000 guilders in accordance with the conditions of the loan were disposed of by ballot.

The obligation set aside for payment was disposed of by ballot in November.

The entire loan of £1,250,000 is now shown on the balance sheet.

In regard to some of the headings on the balance sheet, the following information may be useful:—

The construction (railway) account was increased by 2,888,034·905 guilders (£240,669 11s. 6d.). The increase is due partially to the expenditure on the siding for Barberton, which was not completed on the 31st December. Also through the heavy cost of ballasting, and having the main line in working order on the 1st January, 1895, and lastly in consequence of the important extension of works, of which an amount of 1,094,309·90 guilders (£91,192 9s. 10d.) was expended in 1895, and paid from the money in the reserve fund.

This construction account was reduced by the value of the articles of goods mentioned in the inventory statement, which was brought over to a separate account.

The construction account of the tramway is increased by 158,412·55 guilders (£13,201 0s. 11d.) on account of the extension of works, the cost of which was paid out of the reserve fund.

The Natal line has cost in 1895, 7,419,393·96 guilders (£618,282 16s. 8d.), and the money expended on the railway, Krugersdorp to Klerksdorp, was 557,430·73 guilders (£46,452 11s. 3d.).

Through the placing in working order of 29 engines, the value of our locomotive stock has been increased by 887,000 guilders (£73,916 13s. 4d.), and on the 31st December we had 119 engines in working order.

Our rolling stock was also largely increased in number, and the value increased by 1,402,877·885 guilders (£116,906 9s. 10d.).

Additional sheet No. 6 gives a specification of 152 engines, and 2,676 of other vehicles. Of this number, however, 33 engines and 663 other vehicles were not used on the 31st December.

After the dissolution of the contract with Mr. Watkins, the building of the

Barberton line was taken into our own hands, the payment of which was made by the sale loan of £330,000 to the Delginsfonds. The amount of the obligations in the portfolio was reduced thereby by 1,191,600 guilders (£99,300).

The new heading shown as "Mail Transfers from South Africa" showing the amounts which were on the road as remittances on the 31st December from Africa to Europe.

In consequence of the issue of the 4 per cent. obligation loan amounting to £1,250,000, the heading "Currency," difference is increased, notwithstanding the currency difference of the loan, was deducted on the payment of a portion of the 5 per cent loan.

The allotment, which was deducted from the balance to the exploitation account, amounted in 1895 to 236,000 guilders (£19,666 13s. 4d.).

In the reserve fund of the tramway of this year has been placed 214,839·63 guilders (£17,903 6s. 0d.) of which, however, an amount of 158,412·55 guilders (£13,201 0s. 11d.) was expended for extensions, and 5,694·15 guilders (£474 10s. 3d.) for extraordinary repairs. The fund has been increased, as well as by the loan, by 50,732·93 guilders (£4,227 14s. 10d.)

Be it hereby noted that the decision of the Executive Council of the 7th January, 1891, allowed us to accept, as a basis for stipulation, the annual payment into the reserve fund of the proceeds of 1894 on the tramway line, and, therefore, the separate booking of such proceeds was cancelled.

In the reserve fund of the railway has been placed a balance of 241,733·85 guilders (£20,144 9s. 9d.) viz: the difference between the amount of 1,650,120·80 guilders (£137,510 1s. 4d.), and what has been paid for extensions 1,094,309·90 guilders (£91,192 9s. 10d.), and for repairs 314,077·05 guilders (£26,173 1s. 9d.).

The latter also includes the cost caused by the destruction of the Kaap River bridge amounting to 125,019·30 guilders (£16,251 12s. 2d.).

Enclosure No. 2 shows the condition of the reserve fund.

The amount shown under the heading of "Superannuation Fund," represents the balance not invested of the extraordinary receipts collected on account of the fund.

The Delginsfonds shall be increased this year by an amount of 257,350 guilders (£21,445 16s. 8d.). The purpose of this fund has been fully described in our previous report.

After deducting from the clear account of the exploitation account the rental and amortisation loan, and the assured dividend, there remains an amount of 4,350,508·205 guilders (£379,299 0s. 4d.).

According to Article 34 of the concession, 90 per cent. is to be paid out, or 4,095,457·385 guilders (£341,288 2s. 4d.) so that as an extra profit remains the sum of 455,050·82 guilders (£37,920 18s. 0d.).

We would advise to issue thereof an amount of 420,000 guilders for payment of 30 guilders or 3 per cent. super-dividend on all shares in accordance with Article 38 of our Statutes, so that after the payment on the 2nd January of 22·50 guilders (£1 17s. 6d.) on the shares of the second series, and of 30 guilders (£2 10s.) on all other shares, on the 1st July a dividend of 52·50 guilders (£4 7s. 6d.) on the shares of the second series, and of 60 guilders (£5) on all other shares will be paid out.

The receipts for the year 1895 have greatly exceeded our expectations; they testify to an unknown flourishing condition, not only for the gold industry, but also to other sources of prosperity. Although Johannesburg proves to be the most important station for goods traffic, nevertheless we see that other stations contributed to an important degree to the receipts.

The year now commenced will prove the influence of the opening of the Natal

line. The harbour of Durban has already drawn a considerable amount of traffic, and it is expected that each of the three routes will claim a sufficient paying portion of the importation and exportation, so that a killing competition will be obviated if none of the competing railway administrations try to master too large a proportion of the traffic at the cost of the others. Next to the different rates for traffic, the geographical position, and the institution of various harbours will remain of great importance in regard to the portion of traffic claimed by the three routes.

The prospects of the newly commenced year are favourable. From the undermentioned comparative statement it will be observed that during the first four months the receipts have considerably increased.

It must not be lost sight of, however, that the length of line in working order was during four months in 1895 about 693 kilo., and at the commencement of 1896 963 kilo.

According to the telegraphic statements the receipts for the first four months are as follows:—

1896.	January.	February.	March.	April.
Railway receipts	£135,100	£195,100	£194,500	£206,500
Import duties	13,900	16,100	18,300	15,900
Coal Mine—Springs ...	3,100	4,500	4,700	4,900
Totals	£172,100	£215,700	£217,500	£227,300
1895.				
Railway receipts	74,900	60,330	85,150	96,300
Import duties	6,500	3,870	8,100	8,700
Coal Mine—Springs ...	4,100	4,100	3,890	3,900
Totals	£85,500	£68,300	£97,140	£108,900

NETHERLANDS RAILWAY COMPANY.

GENERAL REGULATIONS.

ARTICLE 1.—Whenever the words "administration" and "manager" occur in these rules and regulations, they apply respectively to the administration and the manager of a railway or steam tramway.

ARTICLE 2.—A copy of the time-tables regulating the running of trains is posted up in the waiting-rooms in a conspicuous place.

ARTICLE 3.—The waiting-rooms are opened to the public at least half an hour before the departure of every train, and remain open until the train has left the station.

ARTICLE 4.—Whenever the traffic is interrupted, or when the usual means of conveyance are insufficient, conveyance cannot be claimed by any particular train.

ARTICLE 5.—The name of every station and stopping-place is exhibited so as to be readily and distinctly seen from the train.

ARTICLE 6.—All payments are made in currency recognised by the Government of the South African Republic.

The administration is not compelled to accept in payment any foreign coin or bank-note which may be refused in Government offices.

ARTICLE 7.—In relation to the conveyance of goods or any other articles on railways or steam tramways, the consignor is held to be—as long as no advice of the arrival of the consignment has been given—the person who has entrusted the goods for conveyance; and, as soon as such advice of arrival has taken place, the consignee is held to be the person to whom the goods were invoiced (or addressed).

In this respect the administration is not bound to follow any other instructions than those given by the consignor.

When, however, the consignee has been advised of the arrival, the railway or tramway officials must act according to his directions.*

ARTICLE 8.—All papers, documents, permits, etc., which in conformity with the laws, regulations, and prescriptions of the Government of the South African Republic, in respect of import duties, taxes, or any other subject, are required for the conveyance of goods, must be provided by the consignor, and—according to the conditions of consignment—joined either to the consignment note or to the address label, on which

* Explanatory remark of the Neth. S. A. Railway Co.: The consignor has the right to request either the return of his goods, or their delivery to another person than the consignee mentioned in the consignment note.

The station officials are bound to give effect to his request whenever they receive it, either by letter or telegram, before the consignee has been advised of the arrival of the consignment; provided: (1) That the forwarding station is requested by the consignor to authorise the station of destination to follow his instructions; or (2) that the necessary instructions are given directly to the station of destination, without interference from the forwarding station.

In case of urgency, it is at first sufficient for the consignor to request the station of destination not to deliver the goods, stating at the same time that the authorisation of the forwarding station will follow; he must subsequently act as above prescribed. The forwarding station, in such cases, is bound to see that the duplicate invoices or goods receipts eventually delivered are returned.

they have to be clearly mentioned. When no such mention occurs, the administration is not responsible for those papers, documents, etc., etc.

The consignor is and remains, as long as the consignee has not taken his place, responsible for the validity of those documents, and all costs arising from his neglect to observe any prescription of the law, the regulations, or the Government, are on his account.

ARTICLE 9.—The consignor, during the time of loading and conveying, and the consignee, at the time of unloading, are responsible for any damage caused to the rolling stock and plant of the administration by animals, goods, or things of any kind whatever.

ARTICLE 10.—Goods, live-stock, and vehicles cannot be taken for conveyance except from and to the stations mentioned in the tariffs as open for such traffic.

ARTICLE 11.—All articles which, at the expiration of one month after arrival of the train on which they were placed for conveyance, have not reached their place of destination, are considered as lost or missing.

ARTICLE 12.—All articles not of a perishable nature found on a train or at a station are temporarily taken in charge by the stationmaster, who, after having registered them, hands them over to the police, with the formalities prescribed by the administration with the Government's sanction.

Articles of a perishable nature, or which seem to be spoiling whilst being in charge, are sold by the railway or steam tramway officials in whose custody they are, the amount realised by the sale being then held to be "goods found," and disposed of as such.

ARTICLE 13.—A consignment note filled up on a printed form, signed legibly by the consignor, and bearing the stamp of the administration, must accompany all goods (excepting luggage and parcels), live-stock, vehicles, and corpses taken for conveyance.*

ARTICLE 14.—The delivery of goods (excepting luggage and parcels), live-stock, vehicles, and corpses, takes place when the consignment note is returned to the railway or steam tramway officials, and the stamp is cancelled as evidence of delivery; or when the goods are otherwise duly receipted for by the persons who receive them; and, if they were not forwarded "carriage paid," the amount due for freight and all incidental charges is to be paid before delivery. All hired covering sheets have to be returned.

ARTICLE 15.—Goods imported into the territory of the South African Republic, and sent to stations where there is a Custom House, are unloaded there and placed in charge of the revenue officers.

All freight and other charges due to the railway have to be paid before goods can be deposited in a bonded warehouse, in the name of the consignee.

The consignee has himself to provide, on his own account and at his own risk, for the removal of the goods from the Custom House under the supervision of the revenue officer.

Charges according to tariff are made for goods kept at the Custom House, where, however, they cannot be left longer than three days.

ARTICLE 16.—Whenever the freight and other railway charges are not paid within three days, the goods are deposited in the Government or railway warehouse, in the name of the railway, but on account and at the risk of the consignee.

* Explanatory remark of the Neth. S. A. Railway Co.: Station officials are bound not to accept wholly or partly sealed consignment notes.

In that case the consignee is bound to pay to the administration—besides the amount due for storage at the Custom House and removal to the warehouse—a sum equal, as a maximum, to twice the amount of the warehouse charges incurred; one-half of that sum going to the warehouse in settlement of dues, and one-half to the railway as compensation for rent and administrative expenditure.

ARTICLE 17.—Whether the goods are cleared at their place of destination or at an intermediate station, the consignee is bound to provide for the proper declaration of goods which have arrived under Government's seal, or about which formalities are required.

Before goods, with the documents relating thereto (for which documents a separate receipt is obtained) are delivered to him, the consignee must see that all necessary formalities are complied with, that the goods, if required, are produced for inspection, and that all permits and other documents are cleared in due time. By neglecting to do so, he renders himself liable to all the consequences of his omission.

At the request of the consignee, the administration may, directly or through the intervention of another person chosen by itself, undertake, under the responsibility of the consignee, the fulfilment of the formalities and the clearance of the goods and of the documents, upon payment by the consignee of the tariff charges. The administration is not, however, bound to do so.

ARTICLE 18.—Should the consignee either refuse to receive the consignment or refuse or neglect to pay the freight and other charges arising therefrom, the administration wires to the consignor a request for instructions as to the steps which he may wish to be taken; and if no satisfactory reply or no reply at all is received within twenty-four hours, then the administration may either:

(*a*) Return the consignment to the forwarding station at the disposal of the consignor, who can obtain delivery of the same on payment of the freight for the double journey and of all incidental charges, such as demurrage, storage, etc.;

Or (*b*) cause, on account and under the responsibility of the consignee, the consignment to be unloaded, deposited in the goods shed or elsewhere, and wholly or partly sold, with or without the consignee's knowledge. From the proceeds of the sale the administration is authorised to retain the amount due for freight and other incidental charges; and the balance, if any, or the unsold portion of the consignment is, on application to that effect, handed over to the person entitled to receive it.

A refusal to receive the consignment or to pay all dues entails the forfeiture of the consignee's and consignor's rights against the administration.

ARTICLE 19.—The prescriptions of Article 18 (*a* and *b*) are applicable in the case that the consignee cannot be found at the place of destination of the consignment. Should anything have been delivered to a consignee and no payment of dues have followed the delivery, the administration has the right to act according to Article 18 (*b*), in regard of other things intended for the consignee, and which are or may come into its possession.

ARTICLE 20.—The administration may claim, according to tariff:

(*a*) Compensation for blank forms and eventually for copying, filling up, and stamping consignment notes; for the use of weighing machines, cranes, and other unusual appliances; for the fulfilment of the Custom House formalities; for the return freight of goods which could not be delivered or the acceptance of which was refused; for the detention of trucks and the use of

its grounds, sheds, or store-houses; for receipts given by the administration; and for meeting advances and reimbursements;

(*b*) Smart money and conventional fines in consequence of wrong declarations as to the kind, description, and weight of goods.

SECTION II.

RESPONSIBILITY.

ARTICLE 21.—Save the provisions of Articles 24 and 25, the administration is generally responsible for loss of or damage to goods entrusted to it for conveyance, occurring through the fault of its manager, officers, or servants.

ARTICLE 22.—The responsibility of the administration in respect of goods entrusted to it for conveyance, ceases as soon as their delivery has taken place. If the administration has undertaken the cartage of the consignment, its responsibility ceases as soon as the goods have been brought before the residence or storehouse of the consignee.

ARTICLE 23.—In connection with the foregoing provision, the administration undertakes the conveyance of goods, at the choice of the consignor, under the following conditions, viz.:

(a) The administration binds itself to deliver the goods received for conveyance, in outwardly good condition, at their place of destination, and is responsible for the non-fulfilment of this obligation, inasmuch as it cannot prove that this was the result of circumstances for which it could not reasonably be held accountable.

Such circumstances are, among others:

Higher might or greater might, fault of consignor or consignee, defective condition, nature or properties of the goods, etc.

(b) Conveyance at lower rates than under the foregoing provision, is undertaken on the principle of an agreement for the performance of a service, in virtue of which the administration is bound, merely and only, to convey the consignment, on its railway or tramway lines, to the appointed place of destination; but does not hold itself responsible for any loss or damage to which the consignment may be subjected by reason or in consequence of its being thus conveyed; the consignor taking upon himself all the risk of the conveyance.

ARTICLE 24.—The administration is not responsible:

(a) for loss of or damage to:

1. Goods or articles of any kind, in consequence of fire, war, internal disturbance, storm, violence, and in general higher might or greater might;
2. Packages or parcels conveyed at luggage, parcels, or goods rates, the insured value of which does not exceed £10, and which contain such valuable articles as: precious metals and precious stones either rough or polished; jewels, pearls, and jewellery; gold and silver coin; banknotes or other papers of a nominal money value; title-deeds or other valuable documents; maps, prints, engravings or paintings; costly articles, substances, ornaments, and valuable things of any kind;
3. Goods conveyed in open, uncovered trucks, whenever the loss or damage might have been prevented by proper and sufficient covering;
4. Goods not properly packed or not sufficiently secured;

5. Carriages or other vehicles, unless their value is insured according to Article 30; velocipedes conveyed as luggage or parcels;
6. Goods or vehicles placed, with or without covering, on open ground, either through want of sheds and covered places or of sufficient space therein, with or without the consent of the consignor or consignee;
7. Goods warehoused, according to Article 16, on account of non-payment of freight and other charges resulting from their conveyance;
8. Luggage conveyed without charge, not booked, badly packed up, or having old labels attached to it;
9. Empties returned at reduced rates, such as casks, cases, boxes, etc., and what may be secreted therein;
10. Smalls or packages of goods not properly packed up, marked, addressed or declared, or having old labels attached thereto;
11. Explosives or dangerous substances and goods, the conveyance of which is authorised by the "Rules and Regulations for the conveyance of dangerous substances" or by resolution of the Government.

(b) For damage to:
1. Packages, the contents of which are so different from each other that there is danger of breakage;
2. Goods of a fragile nature, such as glasswares, slight delicate articles of furniture, cast-iron wares, jars or bottles filled up or empty, bells, clocks, pasteboard works musical instruments, stuffed animals, barometers, thermometers, medicines, articles made of bamboo, straw or other brittle material;

(c) For goods sent to a station till further order or till called for, or deposited in the goods shed for the convenience of the consignee;

(d) For ordinary leakage or spilling of liquids through joints, sutures or other openings without visible signs of damage, and for leakage resulting from defective casks, tincases, or other vessels;

(e) For meat, fish, vegetables, fruit, game, eggs, bread, cheese, butter, ice, plants, and flowers, spoiled or decreased in weight;

(f) For the spoiling of liquids or wares apt to ferment or deteriorate through the action of frost or heat.

(g) For metals getting rusty.

ARTICLE 25.—The administration is not responsible:

(a) For luggage, parcels, goods or vehicles the consignor of which offers to pay the insurance premium but will allow no inquiry as to the value of the consignment;

(b) For damage resulting:
1. From insufficient fastening of covering sheets by the consignor;
2. In loading and in transit, from improper loading by the consignor; and, in off-loading, from improper off-loading by the consignee;
3. From loading or off-loading bulky or weighty articles, loaded or off-loaded by railway servants by request on the consignment note;

(c) For loading and off-loading and for return or further conveyance and storage (in case the consignment was neither off-loaded nor accepted by the consignee), of explosives, the conveyance of which is authorised in terms of the "Rules and Regulations for the conveyance of dangerous substances" or by Resolution of the Government;

(*d*) For goods, live-stock or vehicles:

1. Which, not having been off-loaded and taken away, are either sent back by the administration or off-loaded by the railway servants and placed and put up on the grounds or in the goods-sheds of the railway, or temporarily elsewhere;
2. Which are stored in the goods-sheds or placed temporarily elsewhere, when the consignee cannot be found or refuses to pay the freight and incidental charges;
3. Which have been left on the grounds, in the storerooms or on the trucks of the administration, on account of the consignor's or the consignee's want of attention to the prescriptions relative to the time of loading, off-loading, and taking away;

(*e*) For live-stock lost or injured in transit:

1. Through jumping away, falling, being pushed or thrown out, or frightened, hurting each other, choking, and similar causes, whenever the loss or injury occurs whilst loading and tying, or untying, and off-loading, whilst in transit, or whilst stopping at a station;
2. In consequence of the special dangers to which the conveyance exposes the animals, and for the prevention of which the presence of attendants is necessary.
3. Resulting from the off-loading and stabling, in case that the animals are not off-loaded and taken away by the consignee;

(*f*) For the arrival in good condition of live-stock, when the animals are:

1. Sick;
2. Savage, wild or vicious;
3. Of small size, such as monkeys, dogs, cats rabbits, fowls, pigeons, birds, etc., forwarded in boxes, cages, baskets or bags;

(*g*) For articles put upon carriages or other vehicles loaded on railway trucks; for loading or off-loading carriages or other vehicles—whether without or by request—with the help of railway servants; and for off-loading, if the consignee does not off-load and take away the vehicles.

Section III.

INSURANCE AND COMPENSATION.

Article 26.—For luggage, parcels, goods, or live-stock lost or damaged, the administration, whenever in duty bound to do so in terms of these Rules and Regulations, grants to the interested parties, as compensation for the loss or damage actually sustained, a sum not exceeding the amount fixed by the special tariffs established for every class of goods.

In cases of damage, the amount of damage sustained must be proved by the interested person, and the value of the undamaged portion is deducted from the whole value.

Article 27.—In such cases, none can claim compensation in excess of the amount fixed by the tariffs mentioned in Article 26, unless the value of the consignment has been stated, and the luggage, parcels, goods, or live-stock have been insured by the administration, on payment of a fixed premium according to the insurance tariffs.

Article 28.—Any request for insurance of luggage, parcels or goods must be accompanied by a declaration stating the contents of the packages.

The insured goods must be so packed up that nothing can be abstracted therefrom without destroying the packing case or wrapper.

ARTICLE 29.—Railway or tramway officials have the right to ascertain whether the declared value of insured luggage, parcels, or goods is correct, and, for that purpose, to request the opening of the packages. If their request is denied, no insurance takes place.

ARTICLE 30.—For vehicles lost or damaged, the administration is bound only to give compensation when the value has been declared and the vehicles have been insured by the administration, on payment of the premium fixed by the insurance tariffs.

ARTICLE 31.—The insurance premium must always be prepaid.

ARTICLE 32.—The administration and the person obtaining the insurance give each other a declaration stating the value covered by the insurance.

ARTICLE 33.—The administration, upon discharge of its liability, gives to the person entitled to it, as compensation for the loss or damage actually sustained, an amount not exceeding the insured value.

ARTICLE 34.—Whenever the consignee claims compensation for damage or loss, he is bound:

(*a*) In case of damage, to have the damage verified immediately on his taking over the goods, in presence of the stationmaster or any other qualified official, and to hand over his claim for compensation to the stationmaster, in writing and clearly specified, within three days from the arrival or delivery of the damaged consignment.

(*b*). In case of goods lost or missing, to hand over his claim for compensation to the stationmaster, within fourteen days, from the day on which the goods lost or missing should have arrived and been delivered, or from the day on which he is advised of their non-arrival.

A specified statement of the missing goods must, in every case, be joined to the claim.

SECTION IV.

CONVEYANCE OF PASSENGERS.

ARTICLE 35.—Passengers are conveyed exclusively by the trains appointed for their conveyance.

ARTICLE 36.—For the convenience of the public, passengers may, however, be allowed to travel by goods train not indicated in the time-tables as open to passenger traffic, if, in the opinion of the administration, there is occasion for it, upon payment of a second class ticket for place in a goods wagon. These tickets can only be obtained at stations or sidings where goods trains stop and where railway officials are stationed.

Such conveyance takes place in every respect without any responsibility for the administration.

ARTICLE 37.—Passenger tickets are obtained at the stations of departure and from the guards in the train, and they are available only for the train for which they are issued.

Passengers may be requested to hand over the price of their tickets in money requiring no return of change.

ARTICLE 38.—In ordinary passenger trains there are at least two classes for white people, and a distinct class for kafirs and coloured people.

No native or coloured person can sit in a compartment intended for white people.

ARTICLE 39.—In mixed trains and in express trains there may be only one class of carriages for white passengers.

ARTICLE 40.—When a train, for any cause whatever, stops on the line anywhere else than at a station, siding, or stopping place, no passenger is allowed to step out of the carriages without permission from the head guard.

ARTICLE 41.—At the arrival of a train at a station or stopping place, to prevent accidents, the passengers are not allowed to leave the carriages before the doors have been opened by railway servants. At intermediate stations, sidings, or stopping places, the carriage doors are not opened except at the passengers' request.

ARTICLE 42.—Besides the penalty to which they render themselves liable according to the police laws for railways and steam tramways, travellers attempting to evade payment for their conveyance are expelled from the train.

ARTICLE 43.—Passengers who take place on a train at a stopping place not mentioned on the tariff tables, have to pay the price of a ticket from the preceding station mentioned on the tariff tables.

ARTICLE 44.—Passengers who leave the train at a stopping place not mentioned on the tariff tables, have to pay the price of a ticket to the next station mentioned on the tariff tables.

ARTICLE 45.—Passengers who wish to pass from the second to the first class must take an additional ticket of the lower class next to the second class, from the station or stopping place where the change has taken place.

If the change of place occurs between two stations, the guard must at once be informed of it, and the additional ticket be taken from the next station or stopping place mentioned on the tariff tables in the direction wherefrom the train is coming.

SECTION V.

CONVEYANCE OF LUGGAGE, PARCELS, AND ARTICLES OF VALUE.

ARTICLE 46.—Luggage includes all the travelling requisites taken by a passenger for himself and those who accompany him, such as trunks, portmanteaus, travelling bags, hat boxes, and such other articles.

ARTICLE 47.—The railway or steam tramway official, whose duty it is to receive luggage for conveyance, decides, in disputed cases, whether the articles taken by the passengers may or not be held as luggage.

ARTICLE 48.—Luggage, for the conveyance of which no payment is required, is conveyed in the luggage-van, or, if there is room enough, and the luggage consists of small, easily portable articles, which in the judgment of the guard may without hindrance be placed under the passenger's seat or in the luggage net above it—in the carriage wherein the passenger takes his place.

The passenger must himself attend to the proper labelling, loading and off-loading of his luggage.

ARTICLE 49.—Passengers are at liberty to leave their luggage in the carriages in which they have taken a seat, provided that nothing in this matter be done in contravention of the prescriptions of the law relative to import duties and taxes.

ARTICLE 50.—Conveyance may be refused for luggage which in the opinion of railway officials is not properly packed or has old labels still attached to it.

ARTICLE 51.—Luggage which may be conveyed without payment is not booked unless at the passenger's request, who then has to pay according to the tariff rates.

In case of excess luggage, the whole luggage must be booked and freight paid for the excess weight, according to the tariff rates.

Exhibition of the passenger's ticket may be requested before the luggage is booked.

ARTICLE 52.—Booked luggage cannot be taken by a passenger in his carriage, but must be put into the luggage-van.

A receipt of booked luggage is given to the passenger, on presentation of which the delivery takes place, without any occasion for inquiry as to the identity of the receipt-holder.

ARTICLE 53.—Booked luggage not taken away within 24 hours after arrival, is, on account and at the risk of the passenger, taken in custody and delivered on payment of storage according to tariff rates.

ARTICLE 54.—Every passenger must himself see to it:

(*a*) That his booked luggage is duly loaded and off-loaded at the place of destination.

(*b*) That it is properly labelled with his name and the name of the place of destination.

(*c*) That no old address or label is attached to it.

ARTICLE 55.—Should there be eventually no available room left, the administration has the right to convey excess luggage by one of the next trains following that by which the passenger is or should be taken; and, in that case, the passenger may, without any additional charge, have his ticket exchanged for another allowing him to take the train by which his luggage is conveyed.

ARTICLE 56.—Luggage not called for by the owner within one month after arrival, is, in terms of Article 12, handed over to the police.

ARTICLE 57.—Consignments of or under a certain weight are always conveyed as parcels, unless the conveyance as normal goods is positively requested.

Consignments exceeding either the maximum weight or corresponding number of cubic feet in dimension, are not necessarily taken for conveyance as parcels. Should, however, the address label contain a request to that effect, they may be conveyed as parcels, if the service permits of its being done.

ARTICLE 58.—Every consignment consists of a single package. If several packages (*colli*) are taken for conveyance to the same address, every package is held to be singly consigned.

ARTICLE 59.—Packages are charged for freight according to tariff rates.

The freight charge is increased 50 per cent. and levelled up to sixpence for:

(*a*) All bulky packages.

(*b*) Packages the contents of which are taken for conveyance at owner's risk, as mentioned in Article 24 (*b*2).

(*c*) Packages the contents of which are such as not to allow of any other article being placed upon them without causing damage. To that category belong paintings, engravings, baskets containing victuals, etc.

ARTICLE 60.—Consignments consisting of gold and silver coins, banknotes and other valuable papers, precious metals and precious stones (rough or otherwise), jewels, jewellery and pearls, as well as other sorts of goods, substances, or articles, of which the value exceeds £3, are taken for conveyance as parcels only, on payment of the tariff rates, and after having been insured by the administration.

ARTICLE 61.—The administration may refuse to convey parcels not properly or

sufficiently packed up or containing goods or things of a perishable nature, which, in terms of Art. 24 (*a* 4, *e* and *f*), are conveyed without responsibility for the administration.

ARTICLE 62.—The consignee is advised—by post if expedient—of the arrival of a package, and, on calling for it, must produce the advice note and give a receipt.

ARTICLE 63.—If the consignee thinks that the package is damaged or not in good order, he has the right to have its condition examined at once by the railway official in presence of two witnesses.

ARTICLE 64.—Whenever the consignee refuses to receive a package, or when a package has not been called for within one month after arrival:

1. The administration must immediately inform the consignor, in writing, of the circumstance; the costs of that information are charged to the consignment.
2. The package is returned to the forwarding station, and placed there at the order of the consignor, who can obtain its delivery on payment of freight for the return journey, and of all incidental charges.

ARTICLE 65.—Should the consignor refuse to take back the package and pay for the return freight and other charges, the package is sold—with or without his being informed of it—the amount due being then deducted from the proceeds of the sale, and the balance, if any, handed, at his request, to the person entitled to receive it.

The refusal of receiving the package entails the forfeiture of all claim of consignor and consignee against the administration.

ARTICLE 66.—Packages containing goods or things of a highly perishable nature such as fresh fruit and vegetables, meat, fish, yeast, etc., which, according to circumstances, are not called for and taken over within from three to six hours, may be sold by the administration in any way it chooses; the proceeds of the sale, after deduction of all dues, are placed at the disposal of the person who has the right to claim them.

If the consignee is unknown, or either cannot be found or refuses to receive the package, it may be sold in the same way and within the above-mentioned time.

ARTICLE 67.—The freight of luggage and parcels must be prepaid.

ARTICLE 68.—Goods or substances, the conveyance of which by railways or steam tramways is forbidden or only conditionally permitted (see Articles 69*b* and 70*b*), explosives, and dangerous substances which, in terms of the "Rules and Regulations for the conveyance of dangerous goods by railways and steam tramways," are considered as "goods for conveyance," can neither be taken by passengers into their carriages nor be offered or taken for conveyance as luggage or parcels.

Railway and steam tramway officials have competent authority to make inquiry in that respect.

Anyone offering for conveyance, either as luggage or parcels, or under a false description, goods or substances of the above-mentioned kind, renders himself responsible for all the consequences, losses, and damages which may result therefrom.

SECTION VI.

CONVEYANCE OF GOODS.

ARTICLE 69.—No conveyance can be obtained for:

(*a*) Articles which, on account of form, bulk, weight, or other circumstances connected with the traffic arrangements of a railway or steam tramway, are not transportable.

(*b*) Substances or articles liable to explosion, with the exception of those of which the conveyance either is allowed in terms of the "Rules and Regulations for the conveyance of dangerous goods by railways or steam tramways," or may hereafter be allowed by Government proclamation.

ARTICLE 70.—Are conditionally accepted for conveyance:

(*a*) Goods which:

1. On account of their different nature cannot be loaded up with other goods.
2. Are not properly packed up.
3. Can damage the trucks.
4. Are to be described, with a statement of the conditions attached to the conveyance of every particular description.

The railway or steam tramway officials decide which goods are or are not included in one of the above-mentioned categories.

(*b*) Highly inflammable and self-inflammable substances and dangerous goods, described in the "Rules and Regulations for the conveyance of dangerous goods on railways and steam tramways," or which may hereafter be proclaimed as such by the Government.

ARTICLE 71.—The administration is not compelled:

1. To take goods for conveyance when the available rolling stock is insufficient to convey the proffered consignments within the usually required time.
2. To find shelter, shed, storehouse, or magazine for deposit and storage of goods not duly attended to, left behind, or not taken over.

ARTICLE 72.—When there is danger of the regular traffic being hindered by a considerable accumulation of goods at the place of destination, the administration is authorised—as long as the accumulation lasts—to increase its charges for storage, demurrage, and truck hire, and to shorten the time allowed for loading, off-loading, delivering, and keeping goods under its care.

ARTICLE 73.—Goods may be conveyed:

(*a*) As parcels by passenger trains (see Section V).

(*b*) As *colli* or consignments of small dimensions, exclusively by goods trains (see Article 76).

(*c*) As normal goods at the consignor's risk.

(*d*) As normal goods at the risk of the administration (see Article 74 and Article 75).

(*e*) As rough goods (see Article 88).

ARTICLE 74.—With due regard to the prescriptions of Articles 21, 22 and 23, normal goods—at the consignor's request entered on the consignment note—may be forwarded at reduced rates at the consignor's risk, in which case the freight is charged according to the reduced tariff rates for the conveyance of normal goods at consignor's risk.

ARTICLE 75.—Whenever the value of goods exceeds the amounts specified in the various tariffs (see Article 26), in addition to the freight charges according to tariff rates for normal goods conveyed at the risk of the administration, the consignment must be insured in terms of Article 27.

Should such goods be lost or damaged, compensation is given according to Article 33.

ARTICLE 76.—Consignments not exceeding a minimum weight are conveyed as parcels, unless the consignor positively requests their conveyance as normal goods; consignments exceeding that minimum weight are invariably conveyed as normal goods, unless the consignor requests their conveyance as parcels, and provided it can be done in terms of Article 57.

Consignments, in respect of which the distance to be run over, or the weight does not correspond to the minimum freight, are conveyed by goods trains as "consignments of small dimensions," and charged according to the tariff rates fixed therefor.

A consignment means either one or more than one package of goods, or a lot of loose goods addressed together by one consignor to one consignee. The conveyance of aggregated goods received from several consignors, or consigned to different persons, is not allowed. Agents are not held to be either consignors or consignees.

ARTICLE 77.—On the consignment note the date and place must be properly stated; it must contain an accurate description of the goods with mention of marks, numbers, quantity, kind of package, contents and gross weight of every package separately, as well as the correct address of the consignee, and the place of destination. Erasures and alterations on the consignment note ought to be initialed by the consignor.

All papers and documents accompanying the consignment have to be mentioned in the consignment note.

ARTICLE 78.—By truckload conveyance the consignor may be requested to make a separate consignment note for every truck.

ARTICLE 79.—Goods are held to be taken for conveyance, and the contract to be binding, as soon as the consignment note is stamped.

Should the consignor require a receipt for goods entrusted to the officers and servants of the administration, he must hand over with the goods and the original consignment note a true copy of this note marked "duplicate," and which is returned to him. Such duplicate serves only to show that the goods were taken over, but has not the validity of the original sent with the goods.

ARTICLE 80.—Whenever goods are loaded by the consignor and off-loaded by the consignee, according to the prescription of these "Rules and Regulations," to the tariff, or the terms of a special agreement, the mention on the consignment note of the weight and quantity of goods cannot be taken as evidence against the administration, inasmuch as no re-weighing of the goods of which the consignment consists has taken place, and as long as the number of packages (*colli*) or their weight as shown by the weight stamp of the forwarding station, is not mentioned on the consignment note.

ARTICLE 81.—Whenever no statement of weight occurs on the consignment note, the goods are weighed before conveyance, and a weighing charge is made according to tariff.

ARTICLE 82.—Should there be any doubt as to the accuracy of the weights stated on the consignment note, the goods may be re-weighed before conveyance.

If, by re-weighing, the stated weights are shown to be inaccurate, the consignment is liable to the weighing charge mentioned in Article 81, as well as to extra freight in terms of Article 84.

ARTICLE 83.—No weighing charge is reckoned:

(*a*) When the weight of a consignment under 100 lbs. is not stated.

(*b*) When the re-weighing shows the accuracy of the stated weight.

ARTICLE 84.—Upon discovering, either at the time of forwarding or later, that the actual weight of a consignment exceeds the stated weight, extra freight is charged for the excess weight at three times the amount of the tariff rate, always under reservation, as well of the prescriptions of Article 95, as of the right of claiming compensation for costs and damages, if the carrying power of a truck is exceeded.

ARTICLE 85.—At the consignor's request, the administration is bound to take an accurate account of the number of packages (*colli*) or of the weight of the goods, if

this can be done without causing any detrimental delay, and the station is provided with the required weighing appliances.

The consignor, in that case, incurs the weighing charge mentioned in Article 81.

ARTICLE 86.—When the account of the number and weight of packages (*colli*) is not taken by the administration—which appears from the fact that the consignment note bears no weight stamp—the number and weight require no other evidence of their accuracy than a reference to their consignment note.

ARTICLE 87.—Piece goods, if not of such kind as to render this prescription impracticable, must have attached to them by the consignor the name of the consignee and of the station of destination, besides distinct particular marks or numbers, which must also be mentioned on the consignment note.

ARTICLE 88.—Rough goods mentioned as such in the tariffs are charged for freight according to the rates of the tariff for rough goods, when the weight of the consignment is not less than 10,000 lbs.

They are, as a rule, conveyed in open trucks; and, to prevent any damage arising therefrom, the consignor may, at his own cost and his own risk, protect them with covering sheets.

Lime cannot be conveyed otherwise than covered with sheets, provided either by the consignor or by the administration at the consignor's expense.

ARTICLE 89.—Goods are freighted according to weight or dimension, 1 cubic foot being held to be equivalent to 25 lbs.

ARTICLE 90.—The freight charge is reckoned upon twice the actual weight for goods which, on account of their nature, form, weight, etc., or in consequence of the way they are packed up, it is difficult to handle; and for goods, such as glassware, fruit in baskets, etc., upon which no other goods can be placed without damaging them.

ARTICLE 91.—By "loading" is understood the transfer of goods from the loading place of the administration to the railway trucks; and, by "off-loading," the transfer of goods from the railway trucks to the loading place of the administration.

ARTICLE 92.—Explosives of which the conveyance is allowed, either by the "Rules and Regulations for the conveyance of dangerous goods on railways and steam tramways," or by Government's Resolution, must be loaded and off-loaded on the most distant siding, as far as possible from all buildings and all objects susceptible to catch fire, and on places where there is no danger of collision with trains or vehicles.

ARTICLE 93.—The consignors of such goods must, at least 24 hours beforehand, inform the stationmaster (at the forwarding station) of the intended consignment.

Those goods can only be brought over to the station within two hours before the departure of the train by which they are to be conveyed; and they must, on their reaching the station, be at once loaded, by the consignor or by his direction, in the truck destined to their conveyance.

ARTICLE 94.—The consignee is bound to off-load and take away those goods as soon as they arrive. If he is not there at the time and nobody else has come in his name, the consignment is at once conveyed to a distant place where, on his account and under his responsibility, it is left at the disposal of the consignee, who is advised of it by the administration.

ARTICLE 95.—Whenever it is found that the consignor has overloaded a truck, he must pay for every overloaded truck an extra charge of £3 per distance of 50 miles or part thereof, besides the charges for excess weight and compensation for damage mentioned in Article 84.

ARTICLE 96.—Goods are conveyed "carriage paid" or "to pay," at the consignor's choice; if necessary, however, the administration has the right to exact payment beforehand of freight and other charges.

Prepayment is always required in the case of goods or substances:

(*a*) Mentioned in the "Rules and Regulations for the conveyance of dangerous goods on railways and steam tramways."

(*b*) Which, in the judgment of the railway official, are likely to get spoiled within a short time.

(*c*) The value of which is inferior to the freight charge.

ARTICLE 97.—Goods are received for conveyance, and delivered to consignees every day—Sundays excepted—at certain hours, which are later to be made known.

The administration is not, however, compelled to receive goods for the conveyance of which there are no wagons available.

ARTICLE 98.—The consignee whose name appears on the consignment note, is advised, by post if necessary, of the goods' arrival at the place of destination, the costs thereof being charged to the consignment.

ARTICLE 99.—The consignor is bound to give the consignee timely information as to the time of forwarding, and the expected time of arrival of goods which, if not duly called for, would be liable to damage, spoiling, or decrease of weight.

ARTICLE 100.—The delivery of the consignment takes place when the consignment note is returned and the delivery stamp affixed to it; or when a receipt or discharge is given for the goods, the freight and other charges are paid for (if their payment was not made at the forwarding station), and the covered sheets eventually hired are returned.

ARTICLE 101.—Whenever the Administration:

(*a*) Sends a wagon to fetch goods from the premises of the consignor, this is done at his own cost and his own risk.

(*b*) Sends a wagon to deliver goods to the premises of the consignee, the off-loading from the wagon and the storing of the goods in cellars or storehouses take place at the cost and risk of the consignee.

ARTICLE 102.—If the consignee thinks that the consignment is damaged or does not agree with the consignment note, he has the right to require its condition to be verified at once by the railway official in presence of two witnesses.

ARTICLE 103.—If the goods are loaded by the consignor or his agent, he is himself responsible for damage done, through the goods, to the rolling stock and plant, during the time of loading and in transit; and the consignee assumes the same responsibility during the time of off-loading, if the goods are off-loaded by him orhis agent.

SECTION VII.

CONVEYANCE OF LIVE-STOCK, CORPSES, AND VEHICLES.

ARTICLE 104.—Horses, mules, and cattle are conveyed in open trucks, upon prepayment of the freight charges according to tariff rates.

The administration decides how many animals can be conveyed by a train, and by what train the conveyance is to take place.

For consignments at intermediate stations, previous arrangements are to be made by the stationmaster.

this can be done without causing any detrimental delay, and the station is provided with the required weighing appliances.

The consignor, in that case, incurs the weighing charge mentioned in Article 81.

ARTICLE 86.—When the account of the number and weight of packages (*colli*) is not taken by the administration—which appears from the fact that the consignment note bears no weight stamp—the number and weight require no other evidence of their accuracy than a reference to their consignment note.

ARTICLE 87.—Piece goods, if not of such kind as to render this prescription impracticable, must have attached to them by the consignor the name of the consignee and of the station of destination, besides distinct particular marks or numbers, which must also be mentioned on the consignment note.

ARTICLE 88.—Rough goods mentioned as such in the tariffs are charged for freight according to the rates of the tariff for rough goods, when the weight of the consignment is not less than 10,000 lbs.

They are, as a rule, conveyed in open trucks; and, to prevent any damage arising therefrom, the consignor may, at his own cost and his own risk, protect them with covering sheets.

Lime cannot be conveyed otherwise than covered with sheets, provided either by the consignor or by the administration at the consignor's expense.

ARTICLE 89.—Goods are freighted according to weight or dimension, 1 cubic foot being held to be equivalent to 25 lbs.

ARTICLE 90.—The freight charge is reckoned upon twice the actual weight for goods which, on account of their nature, form, weight, etc., or in consequence of the way they are packed up, it is difficult to handle; and for goods, such as glassware, fruit in baskets, etc., upon which no other goods can be placed without damaging them.

ARTICLE 91.—By "loading" is understood the transfer of goods from the loading place of the administration to the railway trucks; and, by "off-loading," the transfer of goods from the railway trucks to the loading place of the administration.

ARTICLE 92.—Explosives of which the conveyance is allowed, either by the "Rules and Regulations for the conveyance of dangerous goods on railways and steam tramways," or by Government's Resolution, must be loaded and off-loaded on the most distant siding, as far as possible from all buildings and all objects susceptible to catch fire, and on places where there is no danger of collision with trains or vehicles.

ARTICLE 93.—The consignors of such goods must, at least 24 hours beforehand, inform the stationmaster (at the forwarding station) of the intended consignment.

Those goods can only be brought over to the station within two hours before the departure of the train by which they are to be conveyed; and they must, on their reaching the station, be at once loaded, by the consignor or by his direction, in the truck destined to their conveyance.

ARTICLE 94.—The consignee is bound to off-load and take away those goods as soon as they arrive. If he is not there at the time and nobody else has come in his name, the consignment is at once conveyed to a distant place where, on his account and under his responsibility, it is left at the disposal of the consignee, who is advised of it by the administration.

ARTICLE 95.—Whenever it is found that the consignor has overloaded a truck, he must pay for every overloaded truck an extra charge of £3 per distance of 50 miles or part thereof, besides the charges for excess weight and compensation for damage mentioned in Article 84.

ARTICLE 96.—Goods are conveyed "carriage paid" or "to pay," at the consignor's choice; if necessary, however, the administration has the right to exact payment beforehand of freight and other charges.

Prepayment is always required in the case of goods or substances:

(*a*) Mentioned in the "Rules and Regulations for the conveyance of dangerous goods on railways and steam tramways."

(*b*) Which, in the judgment of the railway official, are likely to get spoiled within a short time.

(*c*) The value of which is inferior to the freight charge.

ARTICLE 97.—Goods are received for conveyance, and delivered to consignees every day—Sundays excepted—at certain hours, which are later to be made known.

The administration is not, however, compelled to receive goods for the conveyance of which there are no wagons available.

ARTICLE 98.—The consignee whose name appears on the consignment note, is advised, by post if necessary, of the goods' arrival at the place of destination, the costs thereof being charged to the consignment.

ARTICLE 99.—The consignor is bound to give the consignee timely information as to the time of forwarding, and the expected time of arrival of goods which, if not duly called for, would be liable to damage, spoiling, or decrease of weight.

ARTICLE 100.—The delivery of the consignment takes place when the consignment note is returned and the delivery stamp affixed to it; or when a receipt or discharge is given for the goods, the freight and other charges are paid for (if their payment was not made at the forwarding station), and the covered sheets eventually hired are returned.

ARTICLE 101.—Whenever the Administration:

(*a*) Sends a wagon to fetch goods from the premises of the consignor, this is done at his own cost and his own risk.

(*b*) Sends a wagon to deliver goods to the premises of the consignee, the off-loading from the wagon and the storing of the goods in cellars or store-houses take place at the cost and risk of the consignee.

ARTICLE 102.—If the consignee thinks that the consignment is damaged or does not agree with the consignment note, he has the right to require its condition to be verified at once by the railway official in presence of two witnesses.

ARTICLE 103.—If the goods are loaded by the consignor or his agent, he is himself responsible for damage done, through the goods, to the rolling stock and plant, during the time of loading and in transit; and the consignee assumes the same responsibility during the time of off-loading, if the goods are off-loaded by him orhis agent.

SECTI[illegible] II.

CONVEYANCE [illegible] E-S[illegible] [illegible]RPSES, AND VEHICLES.

ARTICLE 104.—Ho[illegible] are conve[illegible] open trucks, upon prepayment of th[illegible] tariff rat[illegible]

The admi[illegible] imals c[illegible] ed by a train, and by what trai[illegible]

For co[illegible] s, previ[illegible] ents are to be made by the st[illegible]

ARTICLE 105.—Live-stock is not taken for conveyance, unless under the care of an attendant. If the consignment freight is equivalent to 4,000 lbs. normal goods at consignor's risk, the attendant is conveyed without cost on the truck loaded with the animals.

This prescription does not apply to consignments of either the small-sized animals named in Article 110 or of animals consigned singly.

ARTICLE 106.—With due regard to the prescriptions of Article 25 *e*, (1 and 3), the loading and tying of live stock is left to the care and responsibility of the consignor, and the untying and off-loading to the care and responsibility of the consignee.

ARTICLE 107.—The consignor is responsible for damage done by animals to the rolling-stock or plant of the administration, while loading and tying, unless the damage result from the bad or unsatisfactory condition of the rolling-stock or plant; and the same responsibility attaches to the consignee, while untying and off-loading.

ARTICLE 108.—Animals which have died in transit, or before delivery, must, nevertheless, be taken over by the consignee, save his right, if he has any, of claiming compensation. The circumstance is stated on the consignment stamped for delivery, or a separate statement in writing is given to him.

Article 109.—The administration may refuse to convey:—

(*a*) Sick animals.

(*b*) Savage, wild, or vicious animals.

Should, however, animals of this description be taken for conveyance, they are conveyed altogether under the whole responsibility of the consignor, on prepayment of the freight charges, provided that such animals as are mentioned under *b*, are placed in sufficiently strong cages.

ARTICLE 110.—Live animals of small size, such as monkeys, dogs, cats, fowls, rabbits, small birds, etc., are, under the responsibility of the consignor and on prepayment of the freight charges, taken for conveyance in boxes, cages, crates, or bags.

ARTICLE 111.—The consignor of live-stock is bound to give the consignee timely notification of the time of forwarding the consignment and the expected time of arrival.

ARTICLE 112.—If it can be done conveniently, the administration may place goods in trucks wherein live-stock is being conveyed.

ARTICLE 113.—Corpses may be conveyed by all trains upon prepayment of the tariff charges, if properly inclosed in coffins so as to cause no hindrance to the passengers.

ARTICLE 114.—Any corpse not taken away within three hours after arrival of the train at the place of destination, is placed at the disposal of the police.

ARTICLE 115.—Goods may be loaded, on account and at the risk of the consignor, in vehicles forwarded on railway or steam-tramways.

The aggregate weight of the vehicle and its contents must not exceed the carrying power of the railway or steam-tramway truck on which they are conveyed.

The freight charges for goods so conveyed are calculated at the rates of the tariff for normal goods at consignor's risk.

ARTICLE 116.—In connection with the prescriptions of Article 25 *g*, vehicles are loaded by and under the responsibility of the consignor, and they are off-loaded by and under the responsibility of the consignee.

It is the duty of the consignor to see that the vehicle stands fast on the railway or steam-tramway truck, and to provide the required wedges, spikes and rope—all this to the satisfaction of the railway official whom it may concern.

ARTICLE 117.—Whenever in loading live-stock and vehicles, help is asked for and can be given, the railway or steam-tramway servants will lend gratuitous assistance to the consignor in loading, and to the consignee in off-loading.

Proposed, at Pretoria, the 14th December, 1892.

The Railway Commissioner,

J. S. SMIT.

Sanctioned at Pretoria, the 10th January, 1893.

In the name of the Government,

DR. W. J. LEYDS,

State Secretary.

NATAL-NETHERLANDS AGREEMENT.

AGREEMENT DATED THIRD DAY OF FEBRUARY, 1894, between the Natal Government and the Transvaal Government:—

WHEREAS the Government of the South African Republic and the Government of the Colony of Natal are mutually desirous of immediately extending railway communication, now terminating at Charlestown, in the Colony of Natal, to Johannesburg and Pretoria, in the South African Republic,

AND WHEREAS an agreement was, on the 25th day of November, 1892, entered into between the Government of the South African Republic and the Government of the Colony of Natal, providing for the survey of the said railway extension,

AND WHEREAS the detail survey of the said railway extension has been completed,

AND WHEREAS the Honourable the First Volksraad of the South African Republic did, by resolution, on the 25th day of August, 1893, approve of the building and construction of the said railway extension, and authorised the Government with the advice and consent of the Executive Council to take steps for the carrying out of the said resolution,

AND WHEREAS the Government of the South African Republic with the advice and consent of the Executive Council, as aforesaid, did on the 4th day of January, 1894, finally decide upon the construction of the said railway extension,

NOW FURTHER, it is hereby agreed as follows:—

ARTICLE 1.—That the Government of the Colony of Natal shall immediately extend its line of railway from Charlestown, at the border of the Colony of Natal and the South African Republic.

ARTICLE 2.—That the Government of the South African Republic shall with all possible speed construct, equip and work or cause to be constructed, equipped, and worked, a line of railway from the terminus of the Natal Government Railways on the border *via* the towns of Volksrust, Standerton, and Heidelberg, to the station at Elsburg, or such other point of the line of railway between Vereeniging and Elandsfontein as may be chosen by the Government of the South African Republic, *provided always* that the through distance to Johannesburg and Pretoria, as already surveyed shall not be materially increased.

ARTICLE 3.—That the construction and equipment of the lines of railway referred to in Articles 1 and 2 shall be in all respects of equality as regards stability and efficiency with the best constructed lines of railway in the Colony of Natal and the South African Republic, and serviceable for the conveyance of heavy and fast traffic.

ARTICLE 4.—That the work of constructing the line of railway referred to in Article 2 shall be commenced from the Natal and Johannesburg ends immediately, and that in order to accelerate the completion of the work the line

of railway from Delagoa Bay shall be utilised to convey the rails and other materials for the construction from Delagoa Bay to the point of junction on the line from Charlestown to Elandsfontein as soon as such line of railway is sufficiently completed to permit of this being done. And it is hereby further agreed that the aforesaid line of railway from Charlestown shall be completed and opened for public traffic to Johannesburg and Pretoria if possible by the 31st July, 1895, but not later than the 31st December, 1895, and that as soon as the line can possibly be made fit for traffic it shall be opened in sections from Charlestown to Standerton and Heidelberg respectively in anticipation of the opening of the line throughout.

ARTICLE 5.—That the Government of the Colony of Natal binds itself not to construct or work any extension of the line of railway from Ladysmith to Harrismith which joins on any point to the north of Kroonstad to the now existing line of railway through the Orange Free State.

ARTICLE 6.—That near the boundary there shall be provided a joint station, where the services of the Natal Railway administration shall terminate and the services of the South African Government Railway administration shall commence. The site of this station to be at the option of the South African Republic, and the buildings to be designed by one or other of the administrations, as may be arranged in conjunction with the other.

ARTICLE 7.—That the two contracting Governments bind themselves to promote in every way the practical and expeditious working of the through traffic from places in the Colony of Natal to places in the South African Republic, and from places in the South African Republic to places in the Colony of Natal, and to grant to each other all usual and useful facilities for the interchange, development, and satisfactory working of the traffic.

ARTICLE 8.—That in order to promote efficient co-operation, an agreement shall be entered into between the two railway administrations, subject to the approval of the respective Governments, having regard to the following points:—

A. The conditions for the use by the one administration of the line of railway from the boundary to the joint station near the boundary, and for the common use of the said station.

B. Regulations for the interchange of rolling-stock and goods in through traffic, payment for hire of rolling-stock, the through traffic in passengers, goods, animals, articles, and the facilities for loading and unloading, collection and delivery of goods, the system for dividing and accounting for the proportions of fares and freights due to the respective administrations, and all other particular details which are necessary to secure efficient and economical working.

C. The harmonising of the systems whereby the rolling-stock of the respective administrations, with their "continuous brake" and other appliances may conveniently couple and interchange with each other.

D. The mutual assistance to be rendered by the one administration to the other, in the matter of stock, labour, and other matters in which such mutual assistance would be possible and beneficial.

ARTICLE 9.—That the running of the trains of both lines of railway shall be so regulated as to avoid unnecessary delay, and so as to effect the best possible through service.

ARTICLE 10.—That the consignment notes for through traffics shall be drawn up by both railway administrations in conjunction with one another, and shall be drawn up in both English and Dutch.

ARTICLE 11.—That the railway administration of each Government shall fix the rates applicable to its own line, and in the case of the route *via* Volksrust the through charges for goods traffic from Port Natal to Johannesburg and Pretoria shall be the sum of the two administration rates, *provided always:* that the rates for ordinary goods per mile and per ton of 2,000 lbs. shall not exceed 6d. per mile and per ton, and shall not be lower than 3d. per mile and per ton; and the rates for rough goods (*i.e.* coal, quartz of a less value than £45 per ton, unmanufactured wood in quantities of at least five tons) shall not exceed 3d. per mile and per ton, and shall not be lower than 1½d. per mile and per ton.

ARTICLE 12.—That if the through rates from Port Natal to Johannesburg and Pretoria upon the aforesaid basis shall become higher than the rates from Delagoa Bay to Johannesburg and Pretoria in proportion to the mileage of the lines of both administrations, then the through rates from Port Natal to these places shall, after consultation between the two railway administrations, be reduced to the proper proportions, but neither of the two administrations shall be bound to accept lower rates than the minimum rates specified in Article 11; but the rates from Port Natal to Johannesburg shall not, in any case, be more than 20 per cent. higher than the corresponding rates from Delagoa Bay to Johannesburg, and the rates from Port Natal to Pretoria shall not, in any case, be more than 40 per cent. higher than the rates from Delagoa Bay to Pretoria.

ARTICLE 13.—That should any circumstances arise which may necessitate the re-consideration of the rates and other arrangements herein set forth in connection with the promotion of the traffic, either administration may at any time call upon the other administration for consultation, with the view of making the necessary alterations.

ARTICLE 14.—That the Government of Natal binds itself to fix the rates to be charged on its lines in the Colony of Natal (subject always to its existing obligations), and on railways worked by it in other States, in such manner that the sum of the rates charged by the railway administrations of Natal and the South African Republic shall not be lower than the rates per mile and per ton of the traffic from Delagoa Bay to Johannesburg and Pretoria.

ARTICLE 15.—That the rates for the conveyance of passengers over the lines of both administrations shall not exceed the following:—First class, 3d. per mile; lowest class, 2d. per mile.

ARTICLE 16.—That the Government of the Colony of Natal binds itself to charge on goods from foreign ports, and destined for places in the South African Republic, dues which are not higher than the transit duties which are now in force or lower than the transit duties at Delagoa Bay; and the Government of the South African Republic shall afford to the Government of Natal all trade facilities which may have been or may be granted to any other Government.

ARTICLE 17.—That the two contracting parties bind themselves to co-operate in every way for the substantial and expeditious and speedy construction of the line of railway referred to in Article 2, and the Government of the Colony

of Natal shall convey over its existing lines all materials, goods and things necessary for the construction and working of the aforesaid railway, with the least possible delay, at the rate of 1½d. per ton per mile, and shall admit all such materials free of customs and transit duties.

ARTICLE 18.—That in the event of it being found that either of the routes by Delagoa Bay or Charlestown is carrying a share of the gross goods traffic from the seaboard to Johannesburg and Pretoria, which shall exceed one-half or be less than one-third of such gross goods traffic, the two contracting Governments agree that, upon the application of either, a further conference shall take place for the purpose of re-considering the rates and making such re-adjustment thereof as shall be calculated, to a more equitable division of the traffic carried by both routes.

ARTICLE 19.—That it shall be understood between the two contracting Governments that they shall work together in a spirit of amity and friendship, for the promotion of the traffic between the South African Republic and the ports of Delagoa Bay and Natal, and all the provisions of this agreement shall be construed in the sense of the said understanding.

ARTICLE 20.—That any dispute or question arising out of this agreement shall be referred to arbitration, each Government to appoint one arbitrator, and the two arbitrators so appointed to appoint a third, and if the said two arbitrators shall not agree upon the selection of the third arbitrator, then the Chief Justice of the South African Republic, upon application made by either party, shall appoint a third such arbitrator, and the award of the majority shall be final.

ARTICLE 21.—This agreement is subject to the approval of the Government of the South African Republic.

ARTICLE 22.—This agreement is subject to the approval of the Government of the Colony of Natal on or before the 20th day of February, 1894.

IV.

MR. DOUGALL'S LETTER ON THE NETHERLANDS RAILWAY COMPANY.

Pretoria, 29th May, 1897.

The *Chairman*,

THE INDUSTRIAL COMMISSION OF INQUIRY,

Johannesburg.

HON. SIR,—Let me first state that I would not have ventured upon writing to you had I not realised, after receiving a letter from the Secretary of your Hon. Commission, reading as follows:

> "Naar aanleiding van uw schrijven d.d. 24sten Mei is mij opgedragen UEd. te informeeren dat ingevolge publicaties in de couranten gemaakt, de tijd voor applicaties ten einde getuigenis te geven, reeds verstreken is"—

that I had no alternative now but to do so; and, further, had I not keenly felt that, while the Government is sincerely desirous to get at the root cause of all these complaints and dissatisfaction with the Netherlands Railway Company, and a great deal of light has been thrown on the general question, yet the real first cause has not been got at and laid bare to all.

I now beg to lay before your Honourable Commission a table showing heavy overcharges by the Netherlands Railway Company for the carriage of through goods from the ports, from the Mid-Vaal River Bridge to Elandsfontein, Boksburg, Johannesburg, Krugersdorp, and Pretoria, as follows:—

	Normal Goods.	Intermediate Goods.	Rough Goods.
To Elandsfontein ...	5s. 8d. per ton.	10s. 11d. per ton.	19s. 6d. per ton.
„ Boksburg	6s. 0d. „ „	12s. 0d. „ „	18s. 0d. „ „
„ Johannesburg ..	7s. 4d. „ „	13s. 10d. „ „	20s. 4d. „ „
„ Krugersdorp ...	6s. 2d. „ „	15s. 0d. „ „	18s. 11d. „ „
„ Pretoria	4s. 4d. „ „	14s. 1d. „ „	22s. 2d. „ „

To make the position plain it will be needful that we should go back to June, 1890, when the railway concession, granted to the Netherlands Company by the Government, was confirmed by the Hon. Volksraad of this State. In granting the concessires, beyond the natural and legitimate desire to have railway communication with Delagoa Bay, no ulterior motive prompted the Government and Volksraad, and they insisted on the perfectly fair principle of equitable tariffs for the transport of persons and goods. The *maximum* rates were specified, and Article 19 distinctly bound the concessionaire

"to convey, without distinction and without partiality, whatever shall be offered for conveyance, subject to the general exceptions provided for." There was no distinction made in the concession as between the "through traffic from the ports" and the "local traffic." Transport-riding with the ox-wagon was done for, and the Government and Volksraad took good care that the railway company, while having a monopoly of the transport business in the land should carry it on on strictly fair terms, and within certain clearly defined limits. The farmers, mining companies, and merchants in the southern, central, and western districts were to have their through goods carried over the railway from Viljoen's Drift at the same or equivalent rates per ton per mile as the farmers and merchants in Standerton, Ermelo, Heidelberg, and Pretoria from Volksrust, and the mining companies and farmers in Barberton, Lydenburg, Middelburg, and Zoutpansberg from Komatie Poort.

The Netherlands Railway Company had got a very good thing. From Delagoa Bay to Johannesburg did not exceed 400 miles, as against, say 500 miles from Durban, 670 miles from East London, and 720 miles from Port Elizabeth. What was there to fear from competition by the Colonial lines, once the Netherlands Railway was in complete working order from Delagoa Bay?

But, in time the competition became keen and still keener, more so than the Netherlands Company cared to meet on fair terms within the four corners of their concession. And so it was, because of the company's inability to run their railway satisfactorily on fair terms to all, or because of their insensate greed, which would not let them act fairly and secure their position with the good-will and assistance of all in the State, they misled the Government and secured the closing of the Vaal River drifts, that first act in the woeful chapter of sad events which has brought about the present strained position in South Africa.

I should like to make reference here to one or two statements made by Mr. Middelberg to your Honourable Commission.

1. He stated that "The accusation, that the tariffs from the ports to Johannesburg are higher by our taking a greater share of the profits than they would be if we accepted a lower share, is *devoid of foundation.*" And he attempted to make this clear by the illustration of two individuals deciding to build a house, and providing the necessary funds therefor. And when the rental of that house has been fixed it is certainly a matter of indifference to the tenants of the house what shares of the rent each of the two owners receives.

And Mr. Middelberg alleged that

"This is exactly the same in the case of the shares of carriage received by each of the administrations in the traffic with the ports."

In reply to Mr. Albu, Mr. Middelberg maintained that the consignees or owners of the goods had very little to do with what the Netherlands Company got as its share of the carriage from the ports to Johannesburg.

Now, it is just on this vitally important point that the whole matter depends. Mr. Middelberg's illustration is not complete. In the event of complaints preferred and enquiry made thereinto, the Netherlands Railway Company is bound to make answer and give account to the Government in fullest detail of its dealings with the farmers, mining companies, and merchants in the Republic. Your Honourable Commission has been appointed for this very purpose. And *it does* concern the Government and ourselves *very much* to know what the Netherlands Railway Company receives as its share for carriage of the through traffic from the ports. And I maintain that under cover of the agreement with the Cape Railway administration in respect of the through traffic from the ports to Johannesburg and elsewhere, the Netherlands Railway Company receives and appropriates a larger share than it is

this can be done without causing any detrimental delay, and the station is provided with the required weighing appliances.

The consignor, in that case, incurs the weighing charge mentioned in Article 81.

ARTICLE 86.—When the account of the number and weight of packages (*colli*) is not taken by the administration—which appears from the fact that the consignment note bears no weight stamp—the number and weight require no other evidence of their accuracy than a reference to their consignment note.

ARTICLE 87.—Piece goods, if not of such kind as to render this prescription impracticable, must have attached to them by the consignor the name of the consignee and of the station of destination, besides distinct particular marks or numbers, which must also be mentioned on the consignment note.

ARTICLE 88.—Rough goods mentioned as such in the tariffs are charged for freight according to the rates of the tariff for rough goods, when the weight of the consignment is not less than 10,000 lbs.

They are, as a rule, conveyed in open trucks; and, to prevent any damage arising therefrom, the consignor may, at his own cost and his own risk, protect them with covering sheets.

Lime cannot be conveyed otherwise than covered with sheets, provided either by the consignor or by the administration at the consignor's expense.

ARTICLE 89.—Goods are freighted according to weight or dimension, 1 cubic foot being held to be equivalent to 25 lbs.

ARTICLE 90.—The freight charge is reckoned upon twice the actual weight for goods which, on account of their nature, form, weight, etc., or in consequence of the way they are packed up, it is difficult to handle; and for goods, such as glassware, fruit in baskets, etc., upon which no other goods can be placed without damaging them.

ARTICLE 91.—By "loading" is understood the transfer of goods from the loading place of the administration to the railway trucks; and, by "off-loading," the transfer of goods from the railway trucks to the loading place of the administration.

ARTICLE 92.—Explosives of which the conveyance is allowed, either by the "Rules and Regulations for the conveyance of dangerous goods on railways and steam tramways," or by Government's Resolution, must be loaded and off-loaded on the most distant siding, as far as possible from all buildings and all objects susceptible to catch fire, and on places where there is no danger of collision with trains or vehicles.

ARTICLE 93.—The consignors of such goods must, at least 24 hours beforehand, inform the stationmaster (at the forwarding station) of the intended consignment.

Those goods can only be brought over to the station within two hours before the departure of the train by which they are to be conveyed; and they must, on their reaching the station, be at once loaded, by the consignor or by his direction, in the truck destined to their conveyance.

ARTICLE 94.—The consignee is bound to off-load and take away those goods as soon as they arrive. If he is not there at the time and nobody else has come in his name, the consignment is at once conveyed to a distant place where, on his account and under his responsibility, it is left at the disposal of the consignee, who is advised of it by the administration.

ARTICLE 95.—Whenever it is found that the consignor has overloaded a truck, he must pay for every overloaded truck an extra charge of £3 per distance of 50 miles or part thereof, besides the charges for excess weight and compensation for damage mentioned in Article 84.

ARTICLE 96.—Goods are conveyed "carriage paid" or "to pay," at the consignor's choice; if necessary, however, the administration has the right to exact payment beforehand of freight and other charges.

Prepayment is always required in the case of goods or substances:

(*a*) Mentioned in the "Rules and Regulations for the conveyance of dangerous goods on railways and steam tramways."

(*b*) Which, in the judgment of the railway official, are likely to get spoiled within a short time.

(*c*) The value of which is inferior to the freight charge.

ARTICLE 97.—Goods are received for conveyance, and delivered to consignees every day—Sundays excepted—at certain hours, which are later to be made known.

The administration is not, however, compelled to receive goods for the conveyance of which there are no wagons available.

ARTICLE 98.—The consignee whose name appears on the consignment note, is advised, by post if necessary, of the goods' arrival at the place of destination, the costs thereof being charged to the consignment.

ARTICLE 99.—The consignor is bound to give the consignee timely information as to the time of forwarding, and the expected time of arrival of goods which, if not duly called for, would be liable to damage, spoiling, or decrease of weight.

ARTICLE 100.—The delivery of the consignment takes place when the consignment note is returned and the delivery stamp affixed to it; or when a receipt or discharge is given for the goods, the freight and other charges are paid for (if their payment was not made at the forwarding station), and the covered sheets eventually hired are returned.

ARTICLE 101.—Whenever the Administration:

(*a*) Sends a wagon to fetch goods from the premises of the consignor, this is done at his own cost and his own risk.

(*b*) Sends a wagon to deliver goods to the premises of the consignee, the off-loading from the wagon and the storing of the goods in cellars or store-houses take place at the cost and risk of the consignee.

ARTICLE 102.—If the consignee thinks that the consignment is damaged or does not agree with the consignment note, he has the right to require its condition to be verified at once by the railway official in presence of two witnesses.

ARTICLE 103.—If the goods are loaded by the consignor or his agent, he is himself responsible for damage done, through the goods, to the rolling stock and plant, during the time of loading and in transit; and the consignee assumes the same responsibility during the time of off-loading, if the goods are off-loaded by him orhis agent.

SECTION VII.

CONVEYANCE OF LIVE-STOCK, CORPSES, AND VEHICLES.

ARTICLE 104.—Horses, mules, and cattle are conveyed in open trucks, upon prepayment of the freight charges according to tariff rates.

The administration decides how many animals can be conveyed by a train, and by what train the conveyance is to take place.

For consignments at intermediate stations, previous arrangements are to be made by the stationmaster.

ARTICLE 105.—Live-stock is not taken for conveyance, unless under the care of an attendant. If the consignment freight is equivalent to 4,000 lbs. normal goods at consignor's risk, the attendant is conveyed without cost on the truck loaded with the animals.

This prescription does not apply to consignments of either the small-sized animals named in Article 110 or of animals consigned singly.

ARTICLE 106.—With due regard to the prescriptions of Article 25 *e*, (1 and 3), the loading and tying of live stock is left to the care and responsibility of the consignor, and the untying and off-loading to the care and responsibility of the consignee.

ARTICLE 107.—The consignor is responsible for damage done by animals to the rolling-stock or plant of the administration, while loading and tying, unless the damage result from the bad or unsatisfactory condition of the rolling-stock or plant; and the same responsibility attaches to the consignee, while untying and off-loading.

ARTICLE 108.—Animals which have died in transit, or before delivery, must, nevertheless, be taken over by the consignee, save his right, if he has any, of claiming compensation. The circumstance is stated on the consignment stamped for delivery, or a separate statement in writing is given to him.

Article 109.—The administration may refuse to convey:—

(*a*) Sick animals.

(*b*) Savage, wild, or vicious animals.

Should, however, animals of this description be taken for conveyance, they are conveyed altogether under the whole responsibility of the consignor, on prepayment of the freight charges, provided that such animals as are mentioned under *b*, are placed in sufficiently strong cages.

ARTICLE 110.—Live animals of small size, such as monkeys, dogs, cats, fowls, rabbits, small birds, etc., are, under the responsibility of the consignor and on prepayment of the freight charges, taken for conveyance in boxes, cages, crates, or bags.

ARTICLE 111.—The consignor of live-stock is bound to give the consignee timely notification of the time of forwarding the consignment and the expected time of arrival.

ARTICLE 112.—If it can be done conveniently, the administration may place goods in trucks wherein live-stock is being conveyed.

ARTICLE 113.—Corpses may be conveyed by all trains upon prepayment of the tariff charges, if properly inclosed in coffins so as to cause no hindrance to the passengers.

ARTICLE 114.—Any corpse not taken away within three hours after arrival of the train at the place of destination, is placed at the disposal of the police.

ARTICLE 115.—Goods may be loaded, on account and at the risk of the consignor, in vehicles forwarded on railway or steam-tramways.

The aggregate weight of the vehicle and its contents must not exceed the carrying power of the railway or steam-tramway truck on which they are conveyed.

The freight charges for goods so conveyed are calculated at the rates of the tariff for normal goods at consignor's risk.

ARTICLE 116.—In connection with the prescriptions of Article 25 *g*, vehicles are loaded by and under the responsibility of the consignor, and they are off-loaded by and under the responsibility of the consignee.

It is the duty of the consignor to see that the vehicle stands fast on the railway or steam-tramway truck, and to provide the required wedges, spikes and rope—all this to the satisfaction of the railway official whom it may concern.

ARTICLE 117.—Whenever in loading live-stock and vehicles, help is asked for and can be given, the railway or steam-tramway servants will lend gratuitous assistance to the consignor in loading, and to the consignee in off-loading.

Proposed, at Pretoria, the 14th December, 1892.

The Railway Commissioner,

J. S. SMIT.

Sanctioned at Pretoria, the 10th January, 1893.

In the name of the Government,

DR. W. J. LEYDS,

State Secretary.

NATAL-NETHERLANDS AGREEMENT.

AGREEMENT DATED THIRD DAY OF FEBRUARY, 1894, between the Natal Government and the Transvaal Government:—

WHEREAS the Government of the South African Republic and the Government of the Colony of Natal are mutually desirous of immediately extending railway communication, now terminating at Charlestown, in the Colony of Natal, to Johannesburg and Pretoria, in the South African Republic,

AND WHEREAS an agreement was, on the 25th day of November, 1892, entered into between the Government of the South African Republic and the Government of the Colony of Natal, providing for the survey of the said railway extension,

AND WHEREAS the detail survey of the said railway extension has been completed,

AND WHEREAS the Honourable the First Volksraad of the South African Republic did, by resolution, on the 25th day of August, 1893, approve of the building and construction of the said railway extension, and authorised the Government with the advice and consent of the Executive Council to take steps for the carrying out of the said resolution,

AND WHEREAS the Government of the South African Republic with the advice and consent of the Executive Council, as aforesaid, did on the 4th day of January, 1894, finally decide upon the construction of the said railway extension,

NOW FURTHER, it is hereby agreed as follows:—

ARTICLE 1.—That the Government of the Colony of Natal shall immediately extend its line of railway from Charlestown, at the border of the Colony of Natal and the South African Republic.

ARTICLE 2.—That the Government of the South African Republic shall with all possible speed construct, equip and work or cause to be constructed, equipped, and worked, a line of railway from the terminus of the Natal Government Railways on the border *via* the towns of Volksrust, Standerton, and Heidelberg, to the station at Elsburg, or such other point of the line of railway between Vereeniging and Elandsfontein as may be chosen by the Government of the South African Republic, *provided always* that the through distance to Johannesburg and Pretoria, as already surveyed shall not be materially increased.

ARTICLE 3.—That the construction and equipment of the lines of railway referred to in Articles 1 and 2 shall be in all respects of equality as regards stability and efficiency with the best constructed lines of railway in the Colony of Natal and the South African Republic, and serviceable for the conveyance of heavy and fast traffic.

ARTICLE 4.—That the work of constructing the line of railway referred to in Article 2 shall be commenced from the Natal and Johannesburg ends immediately, and that in order to accelerate the completion of the work the line

of railway from Delagoa Bay shall be utilised to convey the rails and other materials for the construction from Delagoa Bay to the point of junction on the line from Charlestown to Elandsfontein as soon as such line of railway is sufficiently completed to permit of this being done. And it is hereby further agreed that the aforesaid line of railway from Charlestown shall be completed and opened for public traffic to Johannesburg and Pretoria if possible by the 31st July, 1895, but not later than the 31st December, 1895, and that as soon as the line can possibly be made fit for traffic it shall be opened in sections from Charlestown to Standerton and Heidelberg respectively in anticipation of the opening of the line throughout.

ARTICLE 5.—That the Government of the Colony of Natal binds itself not to construct or work any extension of the line of railway from Ladysmith to Harrismith which joins on any point to the north of Kroonstad to the now existing line of railway through the Orange Free State.

ARTICLE 6.—That near the boundary there shall be provided a joint station, where the services of the Natal Railway administration shall terminate and the services of the South African Government Railway administration shall commence. The site of this station to be at the option of the South African Republic, and the buildings to be designed by one or other of the administrations, as may be arranged in conjunction with the other.

ARTICLE 7.—That the two contracting Governments bind themselves to promote in every way the practical and expeditious working of the through traffic from places in the Colony of Natal to places in the South African Republic, and from places in the South African Republic to places in the Colony of Natal, and to grant to each other all usual and useful facilities for the interchange, development, and satisfactory working of the traffic.

ARTICLE 8.—That in order to promote efficient co-operation, an agreement shall be entered into between the two railway administrations, subject to the approval of the respective Governments, having regard to the following points:—

A. The conditions for the use by the one administration of the line of railway from the boundary to the joint station near the boundary, and for the common use of the said station.

B. Regulations for the interchange of rolling-stock and goods in through traffic, payment for hire of rolling-stock, the through traffic in passengers, goods, animals, articles, and the facilities for loading and unloading, collection and delivery of goods, the system for dividing and accounting for the proportions of fares and freights due to the respective administrations, and all other particular details which are necessary to secure efficient and economical working.

C. The harmonising of the systems whereby the rolling-stock of the respective administrations, with their "continuous brake" and other appliances may conveniently couple and interchange with each other.

D. The mutual assistance to be rendered by the one administration to the other, in the matter of stock, labour, and other matters in which such mutual assistance would be possible and beneficial.

ARTICLE 9.—That the running of the trains of both lines of railway shall be so regulated as to avoid unnecessary delay, and so as to effect the best possible through service.

ARTICLE 10.—That the consignment notes for through traffics shall be drawn up by both railway administrations in conjunction with one another, and shall be drawn up in both English and Dutch.

ARTICLE 11.—That the railway administration of each Government shall fix the rates applicable to its own line, and in the case of the route *via* Volksrust the through charges for goods traffic from Port Natal to Johannesburg and Pretoria shall be the sum of the two administration rates, *provided always:* that the rates for ordinary goods per mile and per ton of 2,000 lbs. shall not exceed 6d. per mile and per ton, and shall not be lower than 3d. per mile and per ton; and the rates for rough goods (*i.e.* coal, quartz of a less value than £45 per ton, unmanufactured wood in quantities of at least five tons) shall not exceed 3d. per mile and per ton, and shall not be lower than 1½d. per mile and per ton.

ARTICLE 12.—That if the through rates from Port Natal to Johannesburg and Pretoria upon the aforesaid basis shall become higher than the rates from Delagoa Bay to Johannesburg and Pretoria in proportion to the mileage of the lines of both administrations, then the through rates from Port Natal to these places shall, after consultation between the two railway administrations, be reduced to the proper proportions, but neither of the two administrations shall be bound to accept lower rates than the minimum rates specified in Article 11; but the rates from Port Natal to Johannesburg shall not, in any case, be more than 20 per cent. higher than the corresponding rates from Delagoa Bay to Johannesburg, and the rates from Port Natal to Pretoria shall not, in any case, be more than 40 per cent. higher than the rates from Delagoa Bay to Pretoria.

ARTICLE 13.—That should any circumstances arise which may necessitate the re-consideration of the rates and other arrangements herein set forth in connection with the promotion of the traffic, either administration may at any time call upon the other administration for consultation, with the view of making the necessary alterations.

ARTICLE 14.—That the Government of Natal binds itself to fix the rates to be charged on its lines in the Colony of Natal (subject always to its existing obligations), and on railways worked by it in other States, in such manner that the sum of the rates charged by the railway administrations of Natal and the South African Republic shall not be lower than the rates per mile and per ton of the traffic from Delagoa Bay to Johannesburg and Pretoria.

ARTICLE 15.—That the rates for the conveyance of passengers over the lines of both administrations shall not exceed the following:—First class, 3d. per mile; lowest class, 2d. per mile.

ARTICLE 16.—That the Government of the Colony of Natal binds itself to charge on goods from foreign ports, and destined for places in the South African Republic, dues which are not higher than the transit duties which are now in force or lower than the transit duties at Delagoa Bay; and the Government of the South African Republic shall afford to the Government of Natal all trade facilities which may have been or may be granted to any other Government.

ARTICLE 17.—That the two contracting parties bind themselves to co-operate in every way for the substantial and expeditious and speedy construction of the line of railway referred to in Article 2, and the Government of the Colony

of Natal shall convey over its existing lines all materials, goods and things necessary for the construction and working of the aforesaid railway, with the least possible delay, at the rate of 1½d. per ton per mile, and shall admit all such materials free of customs and transit duties.

ARTICLE 18.—That in the event of it being found that either of the routes by Delagoa Bay or Charlestown is carrying a share of the gross goods traffic from the seaboard to Johannesburg and Pretoria, which shall exceed one-half or be less than one-third of such gross goods traffic, the two contracting Governments agree that, upon the application of either, a further conference shall take place for the purpose of re-considering the rates and making such re-adjustment thereof as shall be calculated, to a more equitable division of the traffic carried by both routes.

ARTICLE 19.—That it shall be understood between the two contracting Governments that they shall work together in a spirit of amity and friendship, for the promotion of the traffic between the South African Republic and the ports of Delagoa Bay and Natal, and all the provisions of this agreement shall be construed in the sense of the said understanding.

ARTICLE 20.—That any dispute or question arising out of this agreement shall be referred to arbitration, each Government to appoint one arbitrator, and the two arbitrators so appointed to appoint a third, and if the said two arbitrators shall not agree upon the selection of the third arbitrator, then the Chief Justice of the South African Republic, upon application made by either party, shall appoint a third such arbitrator, and the award of the majority shall be final.

ARTICLE 21.—This agreement is subject to the approval of the Government of the South African Republic.

ARTICLE 22.—This agreement is subject to the approval of the Government of the Colony of Natal on or before the 20th day of February, 1894.

IV.

MR. DOUGALL'S LETTER ON THE NETHERLANDS RAILWAY COMPANY.

Pretoria, 29th May, 1897.

The *Chairman*,

THE INDUSTRIAL COMMISSION OF INQUIRY,

Johannesburg.

HON. SIR,—Let me first state that I would not have ventured upon writing to you had I not realised, after receiving a letter from the Secretary of your Hon. Commission, reading as follows:

> "Naar aanleiding van uw schrijven d.d. 24sten Mei is mij opgedragen UEd. te informeeren dat ingevolge publicaties in de couranten gemaakt, de tijd voor applicaties ten einde getuigenis te geven, reeds verstreken is"—

that I had no alternative now but to do so; and, further, had I not keenly felt that, while the Government is sincerely desirous to get at the root cause of all these complaints and dissatisfaction with the Netherlands Railway Company, and a great deal of light has been thrown on the general question, yet the real first cause has not been got at and laid bare to all.

I now beg to lay before your Honourable Commission a table showing heavy overcharges by the Netherlands Railway Company for the carriage of through goods from the ports, from the Mid-Vaal River Bridge to Elandsfontein, Boksburg, Johannesburg, Krugersdorp, and Pretoria, as follows:—

	Normal Goods.	Intermediate Goods.	Rough Goods.
To Elandsfontein ...	5s. 8d. per ton.	10s. 11d. per ton.	19s. 6d. per ton.
„ Boksburg	6s. 0d. „ „	12s. 0d. „ „	18s. 0d. „ „
„ Johannesburg ..	7s. 4d. „ „	13s. 10d. „ „	20s. 4d. „ „
„ Krugersdorp ...	6s. 2d. „ „	15s. 0d. „ „	18s. 11d. „ „
„ Pretoria	4s. 4d. „ „	14s. 1d. „ „	22s. 2d. „ „

To make the position plain it will be needful that we should go back to June, 1890, when the railway concession, granted to the Netherlands Company by the Government, was confirmed by the Hon. Volksraad of this State. In granting the concessires, beyond the natural and legitimate desire to have railway communication with Delagoa Bay, no ulterior motive prompted the Government and Volksraad, and they insisted on the perfectly fair principle of equitable tariffs for the transport of persons and goods. The *maximum* rates were specified, and Article 19 distinctly bound the concessionaire

"to convey, without distinction and without partiality, whatever shall be offered for conveyance, subject to the general exceptions provided for." There was no distinction made in the concession as between the "through traffic from the ports" and the "local traffic." Transport-riding with the ox-wagon was done for, and the Government and Volksraad took good care that the railway company, while having a monopoly of the transport business in the land should carry it on on strictly fair terms, and within certain clearly defined limits. The farmers, mining companies, and merchants in the southern, central, and western districts were to have their through goods carried over the railway from Viljoen's Drift at the same or equivalent rates per ton per mile as the farmers and merchants in Standerton, Ermelo, Heidelberg, and Pretoria from Volksrust, and the mining companies and farmers in Barberton, Lydenburg, Middelburg, and Zoutpansberg from Komatie Poort.

The Netherlands Railway Company had got a very good thing. From Delagoa Bay to Johannesburg did not exceed 400 miles, as against, say 500 miles from Durban, 670 miles from East London, and 720 miles from Port Elizabeth. What was there to fear from competition by the Colonial lines, once the Netherlands Railway was in complete working order from Delagoa Bay?

But, in time the competition became keen and still keener, more so than the Netherlands Company cared to meet on fair terms within the four corners of their concession. And so it was, because of the company's inability to run their railway satisfactorily on fair terms to all, or because of their insensate greed, which would not let them act fairly and secure their position with the good-will and assistance of all in the State, they misled the Government and secured the closing of the Vaal River drifts, that first act in the woeful chapter of sad events which has brought about the present strained position in South Africa.

I should like to make reference here to one or two statements made by Mr. Middelberg to your Honourable Commission.

1. He stated that "The accusation, that the tariffs from the ports to Johannesburg are higher by our taking a greater share of the profits than they would be if we accepted a lower share, is *devoid of foundation.*" And he attempted to make this clear by the illustration of two individuals deciding to build a house, and providing the necessary funds therefor. And when the rental of that house has been fixed it is certainly a matter of indifference to the tenants of the house what shares of the rent each of the two owners receives.

And Mr. Middelberg alleged that

"This is exactly the same in the case of the shares of carriage received by each of the administrations in the traffic with the ports."

In reply to Mr. Albu, Mr. Middelberg maintained that the consignees or owners of the goods had very little to do with what the Netherlands Company got as its share of the carriage from the ports to Johannesburg.

Now, it is just on this vitally important point that the whole matter depends. Mr. Middelberg's illustration is not complete. In the event of complaints preferred and enquiry made thereinto, the Netherlands Railway Company is bound to make answer and give account to the Government in fullest detail of its dealings with the farmers, mining companies, and merchants in the Republic. Your Honourable Commission has been appointed for this very purpose. And *it does* concern the Government and ourselves *very much* to know what the Netherlands Railway Company receives as its share for carriage of the through traffic from the ports. And I maintain that under cover of the agreement with the Cape Railway administration in respect of the through traffic from the ports to Johannesburg and elsewhere, the Netherlands Railway Company receives and appropriates a larger share than it is

entitled or authorised to receive under the concession. As for example in respect of the carriage to Pretoria, they receive on:

Normal goods	...	£2	3s.	4d.	instead	of	£1	19s.	0d.	per ton.
Intermediate goods	...	2	3	4	„	„	1	9	3	„
Rough goods...	...	2	1	8	„	„	0	19	6	„

2. When Mr. Middelberg stated under oath to your Honourable Commission that the actual rates to Johannesburg (delivery free included) were:—

	Normal Goods.	Interm. Goods.	Rough Goods.		
From Port Elizabeth	2·70	2·41	1·75	per ton	per mile.
„ East London	2·76	2·43	1·77	„	„
„ Capetown	2·56	2·17	1·67	„	„

he uttered nine distinct misstatements, on his part quite inexcusable, and which must have proved very misleading to the members of your Commission. The actual rates levied and appropriated by the Cape and Netherlands administrations, paid by consignees of goods to Johannesburg, are as follows:—

	1st Class Goods.	2nd Class Goods.	3rd Class Goods.	Gal'v'd Iron.	Rough Goods.		
From Port Elizabeth to Mid-Vaal	2·77	2·32	2·0	1·80	1·30	per ton	per mile
„ East London „ „	2·80	2·34	2·0	1·80	1·27	„	„
„ Capetown „ „	2·74	2·26	1·87	1·80	1·35	„	„
„ Mid-Vaal to Johannesburg	7·70	7·70	7·70	7·70	7·70	„	„

And it is a very extraordinary thing that, while the Netherlands Company under their arrangement with the Portuguese administration allow only about 11s. 2d. for the carriage of 1 ton of rough goods over the 58 miles from Lourenço Marques to Komatie Poort, and are authorised under the concession to charge a *maximum* sum of only 13s. for the carriage of 1 ton of the like goods over the 52 miles from Mid-Vaal River Bridge to Johannesburg, they demand no less a sum than £1 13s. 4d. for this 1 ton over the shorter distance and through a much healthier district.

It is in this way, as more fully shown in the accompanying table, that the fair and righteous principle of equitable rates for the transport of goods, on which the concession is based, has been departed from and its conditions broken. And the farmers, mining companies and merchants in the southern, central and western districts are made to pay much higher rates to the Netherlands Company for the carriage of their through goods from Viljoen's Drift, than the mining companies and farmers in the Barberton, Lydenburg and Middelburg districts are required to pay for theirs from Komatie Poort.

3. I have been somewhat puzzled over the replies made by Mr. Middelberg to Mr. Albu, as follows:—

Mr. Albu: You charge 7·7d. from Viljoen's Drift to Johannesburg.

Mr. Middelberg: No, no!

Mr. Albu: We pay it then. We don't know who gets it.

Mr. Middelberg: We get it from the Cape.

Mr. Albu: If you get it from the Cape, who pays the Cape?

Mr. Middelberg: You don't pay 7·7d. You pay about 10s., and so much per ton, and out of it we claim so much.

It is a pity Mr. Middelberg is not more explicit in his explanations and willing to tell the whole truth. He is very misleading. As a matter of fact the Netherlands Railway Company collect all carriage in Johannesburg, Pretoria, Elandsfontein,

Boksburg, and Krugersdorp from the consignees on delivery of the goods, and accounts through the *Pretoria* Railway Clearing Office for amounts so collected which may be due and payable to the Cape Railway administration. And the share credited to and held by the Netherlands Railway Company for carriage of all through goods from the Cape ports *is equal to 7·7d. per ton per mile* from Mid-Vaal River to the above-named five stations.

4. On another very important point, Mr. Middelberg must have seriously misled your Hon. Commission. He has stated that he had convinced himself, that the net cost for working expenses and interest on construction capital on the Cape Railways amounted to 1½d. to 2d. per ton per mile. These figures are not correct, and from three points I am able to refute his statement:

a. The share which the Cape Railway receives for carriage of rough through goods from East London, Port Elizabeth and Capetown to Mid-Vaal River amounts to only 1·27d. to 1·35d. per ton per mile.

b. According to Mr. Middelberg's own figures, in spite of these low through rates, the Cape surplus from railways in 1896 amounts to £8 19s. 7d. per cent. on the construction capital.

c. Two years ago, if I remember rightly, a committee report was presented to the Cape Parliament showing that the working expenses with interest on capital, on the Cape lines from Port Elizabeth and East London to Mid-Vaal River, were as follows:—
Port Elizabeth to Norval's Pont, 328 miles, ⅝d. per ton per mile.
Norval's Pont to Mid-Vaal, 334 miles, ½d. per ton per mile.
East London to Bethulie, 290 miles, ¾d. per ton per mile.
Bethulie to Mid-Vaal, 325 miles, ½d. per ton per mile.

5. Mr. Middelberg claims praise as "a good servant" to his master, "for assuring himself of the largest share of the general revenue for the State, etc." I believe his master to be a just man, who, in spite of many difficulties, tries to be fair and upright in all his dealings. But in this very important business the servant has acted very wickedly. Unable or unwilling to carry out his master's commission on the terms laid down for him to work upon, he determines to make good his position and show large returns and good profits by disregarding his master's instructions and defrauding his master's customers and subjects. Thereby, he causes very grievous dissension in the house, and through his meddling propensities this extends to the neighbours in the adjoining houses, and even beyond, amongst his master's friends at a distance, so that they begin to speak reproachfully of each other, and are like to come to blows. But what cares this wicked servant about the widespread mischief he has made, the grievous troubles and great expenses he has brought upon his master and his master's friends, so long as he can come scatheless out of the evil situation he has created, and escape with large sums of money improperly obtained?

I have not made any close examination into the figures for carriage appropriated under the agreements with the Natal and Portuguese administrations. Nor have I made any inquiry into the appropriation of the customs duties collected by the Netherlands Railway Company. But these will require to be looked into most searchingly. Thus far, should my contention and figures be found correct, the consideration of this vitally important matter makes it clear:

1. That the consignees of goods have a good case against the shareholders of the Netherlands Railway Company for repayment of all amounts so overcharged and paid by them.

2. That the directors of the Netherlands Railway Company should be charged by

the Government to hold in suspense all these monies so obtained, pending a searching inquiry into the matter.

The monies so obtained should not have been included in the revenue, and carried into the Netherlands Railway Company's profits account for division among their shareholders: In the first place, because the railway company has no right to these amounts, and sooner or later they will have to be refunded in some way or other to the parties from whom they were received: And, secondly, because the inclusion of these improperly obtained sums into the railway company's profits affects to a very material extent the basis on which the expropriation of the Netherlands Railway is to be effected. If the Government does not compel the Netherlands Railway Company to have their accounts re-opened and re-adjusted, and the amounts in question carefully ascertained and put aside for refund to parties, the South African Republic will be overcharged and deprived of a large sum of money when the expropriation of the Netherlands railway is brought about.

In conclusion, as one earnestly desirous for the peace and prosperity of the Republic, and the promotion of goodwill amongst all within our borders, I would state that if the Government will cause the most careful inquiry to be made into this very serious matter, they will soon find themselves in a pre-eminently good position for ameliorating the conditions which now press so heavily upon the mining and other industries in the State. And, at the same time, this will afford the finest possible opportunity for the powerful financial houses in Johannesburg, acting in conjunction with the Nationale Bank and the other banks in the Republic to rally round the Government and help to remedy and improve the situation. The Netherlands Railway Company and the Dynamite Agency Company will of necessity require to be bought out, and loans must be raised for these purposes.

And, further, permit me to say, that the present seems to me to be a favourable juncture for arrangements to be entered into whereby the administration of the Portuguese Province of Lourenço Marques, the Delagoa Bay harbour, and the Portuguese Railway might be undertaken in a manner and on terms equally satisfactory and profitable to Portugal, the South African Republic, and Great Britain. And for this end all should lend their best counsel and help for bringing about this so-much-to-be-desired beneficial result. It is a perfectly feasible project, and, to begin with, only requires Great Britain to be as considerate and helpful towards Portugal and the South African Republic as she is to her own Colonies.

I have the honour to remain, Hon. Sir,

Your obedient servant,

JOHN DOUGALL.

MID-VAAL RIVER TO ALL STATIONS IN THE TRANSVAAL:—

TO ELANDSFONTEIN—42 MILES FROM MID-VAAL RIVER.

	Maximum Legal Charges per Concession.	Charges Levied.	Overcharges Made.
Normal goods,	6d. per ton per mile...21s. 0d. per ton or 12·6d. per 100 lbs.	16d. per 100 lbs. or 26s. 8d. per ton.	3·4d. per 100 lbs. or 5s. 8d. per ton.
Intermediate do.,	4½d. ,, ,, ...15s. 9d. ,, 9·45d. ,,	16d. ,, 26s. 8d. ,,	6·55d. ,, 10s. 11d. ,,
Rough do.,	3d. ,, ,, ...10s. 6d. ,, 6·3d. ,,	18d. ,, 30s. 0d. ,,	11·7d. ,, 19s. 6d. ,,

TO BOKSBURG—48 MILES FROM MID-VAAL RIVER.

	Maximum Legal Charges per Concession.	Charges Levied.	Overcharges Made.
Normal goods,	6d. per ton per mile...24s. 0d. per ton or 14·4d. per 100 lbs.	18d. per 100 lbs. or 30s. 0d. per ton.	3·6d. per 100 lbs. or 6s. 0d. per ton.
Intermediate do.,	4½d. ,, ,, ...18s. 0d. ,, 10·8d. ,,	18d. ,, 30s. 0d. ,,	7·2d. ,, 12s. 0d. ,,
Rough do.,	3d. ,, ,, ...12s. 0d. ,, 7·2d. ,,	18d. ,, 30s. 0d. ,,	10·8d. ,, 18s. 0d. ,,

TO JOHANNESBURG—52 MILES FROM MID-VAAL RIVER.

	Maximum Legal Charges per Concession.	Charges Levied.	Overcharges Made.
Normal goods,	6d. per ton per mile...26s. 0d. per ton or 15·6d. per 100 lbs.	20d. per 100 lbs. or 33s. 4d. per ton.	4·4d. per 100 lbs. or 7s. 4d. per ton.
Intermediate do.,	4½d. ,, ,, ...19s. 6d. ,, 11·7d. ,,	20d. ,, 33s. 4d. ,,	8·3d. ,, 13s. 10d. ,,
Rough do.,	3d. ,, ,, ...13s. 0d. ,, 7·8d. ,,	20d. ,, 33s. 4d. ,,	12·2d. ,, 20s. 4d. ,,

TO KRUGERSDORP—71 MILES FROM MID-VAAL RIVER.

	Maximum Legal Charges per Concession.	Charges Levied.	Overcharges Made.
Normal goods,	6d. per ton per mile...35s. 6d. per ton or 21·3d. per 100 lbs.	25d. per 100 lbs. or 41s. 8d. per ton.	3·7d. per 100 lbs. or 6s. 2d. per ton.
Intermediate do.,	4½d. ,, ,, ...26s. 7½d. ,, 16·0d. ,,	25d. ,, 41s. 8d. ,,	9·0d. ,, 15s. 0d. ,,
Rough do.,	3d. ,, ,, ...17s. 9d. ,, 10·65d. ,,	22d. ,, 36s. 8d. ,,	11·35d. ,, 18s. 11d. ,,

TO PRETORIA—78 MILES FROM MID-VAAL RIVER.

	Maximum Legal Charges per Concession.	Charges Levied.	Overcharges Made.
Normal goods,	6d. per ton per mile...39s. 0d. per ton or 23·4d. per 100 lbs.	26d. per 100 lbs. or 43s. 4d. per ton.	2·6d. per 100 lbs. or 4s. 4d. per ton.
Intermediate do.,	4½d. ,, ,, ...29s. 3d. ,, 17·55d. ,,	26d. ,, 43s. 4d. ,,	8·45d. ,, 14s. 1d. ,,
Rough do.,	3d. ,, ,, ...19s. 6d. ,, 11·7d. ,,	25d. ,, 41s. 8d. ,,	13·3d. ,, 22s. 2d. ,,

MEMORANDUM.—It is to be noted here that the Netherlands Railway Company is, in addition to carriage, entitled to make a charge for unloading and delivery (including cartage), say, within certain areas; but this should not exceed 3s. to 3s. 6d. per ton at the very most. For comparison, we note the rates ruling in the Cape Colony, as follows:—

1st Class traffic—is free of charge within certain areas.

2nd, 3rd, and agricultural traffic—are subject, in Capetown to 1s. 3d., Port Elizabeth 1s. 8d., East London 1s. 8d., Kingwilliamstown 1s. 8d., Simonstown 2s. 6d., Graaff Reinet 2s. 6d., Kimberley 3s. 4d., and Dordrecht 3s. 4d. per ton.

But a rebate of a portion of such charges is allowed to persons, wherever residing, who prefer to enter into an agreement with the traffic managers, to bring to or take away from the station the whole of their traffic. These rebates are given as follows:—Capetown 9d., Port Elizabeth and East London 10d., Kingwilliamstown 9d., Simonstown and Graaff Reinet 1s., Kimberley 1s. 6d., and Dordrecht 1s. 8d. per ton.

V.

NETHERLANDS RAILWAY CONCESSION.

CONDITIONS of the Concession granted by the Transvaal Government for the construction and working of a railway in the South African Republic from the Portuguese frontier to Pretoria, Barberton, Johannesburg, and the Vaal River.

PART I.

THE LINE TO BE CONSTRUCTED.

ARTICLE 1.

This Concession comprises the construction and working:—

(*a*). Of a railway commencing from the termination of the line from Delagoa Bay on the frontier of the Portuguese territory, and running thence in the direction of the Crocodile River to Nelspruit.

(*b*). Of a railway joining the line mentioned in (*a*) to Pretoria, Johannesburg, and the Vaal River.

(*c*). Of a railway from Barberton joining the railway mentioned in (*a*).

ARTICLE 2.

The exclusive right is granted to the Concessionary to construct the work on the conditions of this Concession, when the Volksraad resolves that such shall or may be constructed, railways or steam tramways, in the South African Republic, which either join foreign railways or steam tramways, navigable rivers, or the sea, and which may be deemed to compete with the lines already conceded to the company or portions thereof.

This right is forfeited in the case of those railways or steam tram lines the construction and working of which shall be undertaken by the State.

If the Government, during the existence of this Concession, should decide to entrust the working of such a railway line to others, the Concessionary shall be charged therewith on the conditions of this Concession, unless it shall be otherwise mutually agreed. The Concessionary shall be bound, within three months after the resolution shall have been passed by the Volksraad, to declare whether he will avail himself of his right.

ARTICLE 3.

The gauge shall be 1·067m. (3ft. 6in. English measure).

If, however, another gauge be adopted for the railway or tramway on Portuguese territory, then the same shall be compulsory for the line herein referred to.

ARTICLE 4.

With the exception of necessary sidings with double rails, the railway and the earthworks and artificial works belonging thereto shall be built as for a single line.

ARTICLE 5.

The direction of the railway between the points mentioned in Article 1 and the places where the stations and stopping places shall be built, and also the works required for the free flow of water, and the free passage of traffic on the existing roads, shall be determined by the Concessionary in consultation with the Commissioner of the Government. Where the Concessionary deems it advisable or necessary, in the interests of the undertaking, he may construct the line entirely or partly on existing roads and streets, provided he leaves sufficient space for ordinary traffic, to the satisfaction of the Government Commissioner.

ARTICLE 6.

All land required for the railway, the stations, stopping places, platelayers' cottages, dwellings and premises for the staff, and other appurtenances, or establishments; for obtaining ballast, stones and limestones, or other similar materials; for cutting wood; the removal of materials and earth; for the deviation of roads, rivers, spruits and water-leadings; and, generally, for the construction and working of the railway, shall be placed at the disposal of the Concessionary gratis and timely by the Government, but the Concessionary shall compensate it for the price paid by it in those cases in which expropriation may be unavoidable; and while the Concession is in existence, this land shall be conceded to the Concessionary for temporary use, with the exception of such land as is not required for the working of the line.

In determining the limits of this land, the necessary space for constructing a double line and for other extensions, and also for the prevention of grass and forest fires, shall at that time be taken into consideration.

ARTICLE 7.

The Concessionary shall be exempt from paying customs dues on all material, machinery, raw material, &c., required for the construction and working of the railway.

ARTICLE 8.

If the Government orders or permits the construction of roads, canals, etc., which intersect or join the railway referred to in the Concession, the same cannot be prohibited by the Concessionary.

All necessary arrangements shall be made by the Government in consultation with the Concessionary, in order that thereby no impediment resulting in extra cost to the Concessionary may be caused to the traffic or railway service.

If the extra cost is unavoidable, as also in case of permanent increase of expenditure for the maintenance of the line or the railway service, a lump sum of equal amount shall be paid to the Concessionary.

ARTICLE 9.

The railway works shall be commenced within one year after the acceptance of the Concession by the Concessionary, or so much later as the necessary land shall have been placed at the disposal of the Concessionary, and the line from Delagoa Bay to the

frontier of the Portuguese territory shall have been so far completed that it is possible to commence carrying materials over that line for the railway referred to in this Concession.

The railway mentioned in Article 1 *(a)* shall be completed and in working order within the period of four years after the commencement of the works.

If the provisions contained in the two preceding paragraphs of this article, as regards the commencement and completion of this railway are not complied with, the Government shall have the right to seize all the property of the Concessionary, on payment to the company of the sum required for the complete liquidation of the company, and on returning 90 per cent. of the paid-up capital of the company.

Article 10.

If notice has been given by the Concessionary of the intention to extend the railway to Pretoria, this extension and also the whole line to the Vaal River shall be completed and in working order within the period of ten years after the completion of the railway to Nelspruit.

If this latter obligation is not fulfilled, or if the extension of the railway is not commenced within a period of five years after the completion of the railway to Nelspruit, the Government shall have the right to seize all the property of the Concessionary on payment to the company of the sum required for the complete liquidation of the company, and on re-paying the paid-up capital of the company.

The Concessionary undertakes speedily to complete the railways mentioned in Article 1, and unless unforeseen circumstances occur, they shall be opened for traffic on or before the 31st December, 1894, with the exception of the section which connects Pretoria and Johannesburg with the Vaal River, upon which traffic shall commence six months after it shall be possible that traffic on the Free State Railway to and beyond the Vaal River can take place, or six months after the traffic on the railway from Delagoa Bay to Pretoria shall have commenced. If this should occur at an earlier date, and for each day's delay a fine will be incurred, in the first case, of fifty pounds and in the second case of twenty-five pounds.

The railway company shall be charged in its books with the amount of these fines.

PART II.

SUPERVISION OF THE WORKS.

Article 11.

The Government has the right to cause the construction of the works and the working of the line to be supervised.

For this purpose it may, at all times, have the condition of the works and the material inspected.

Its officers charged with such inspection shall have access to all premises intended for the public and the service.

Article 12.

The existing laws, or those still to be framed, on the railway policy in the South African Republic, are applicable to the railway referred to in this Concession, but the

Government shall not thereby prejudice the rights granted by this Concession to the Concessionary.

PART III.

THE WORKING OF THE LINE AND THE MATERIALS.

ARTICLE 13.

Steam shall be the locomotive power employed.

ARTICLE 14.

The Concessionary is bound, during the existence of the Concession, to maintain the railway and everything belonging to it in good order, and not to discontinue the service, except when compelled to do so by sheer force of circumstances.

ARTICLE 15.

The carriages shall be fitted up for at least two classes of travellers.

ARTICLE 16.

The Concessionary is bound to lay down regulations for his service, and to submit these for the approval of the local Government Commissioner, in order that the latter may convince himself that nothing occurs therein which is in conflict with the conditions of this Concession, and with the common law of the country.

These regulations are also binding on third parties.

The service shall not be commenced before these regulations have been approved of.

If, within three months after they have been submitted to him, the Government Commissioner has not dealt therewith, he shall be considered to have approved thereof.

PART IV.

TARIFFS AND CONVEYANCE.

ARTICLE 17.

The Concessionary may demand payment to be fixed by him for the conveyance of persons, goods, cattle, etc., and also for unloading, loading, delivery, and all similar services, for wagon hire, etc.

The import, export, and transit duties due to the Portuguese Government for the goods conveyed by the railway (and also for cattle), shall be collected by and on behalf of the Concessionary, according to rules to be laid down in consultation with the Government Commissioner in accordance with the instructions of the Government.

The tariff for the conveyance of persons and goods, shall, however, without previous consent of the Government, never exceed:—

For persons, first class, 3d. per mile (1⅞d. per kilometer); lowest class, 2d. per mile (1¼d. per kilometer).

For ordinary freight goods, 6d. per ton per mile (3¾d. per kilometer), with a minimum of £1 per consignment.

For rough goods (coal, ores of not greater value than £45 per ton, stones, unsawn wood, etc.) in quantities of at least five tons, 3d. per ton per mile (1⅞d. per kilometer), with a minimum of £1 per consignment.

ARTICLE 18.

To all tariffs and amendments thereto, the necessary publicity shall be given before they are carried into effect, and no tariff shall be amended before it shall have been in operation at least three months.

ARTICLE 19.

The Concessionary shall be bound to convey, without distinction and without partiality, whatever shall be offered for conveyance, subject to the general exceptions provided for.

ARTICLE 20.

The Concessionary shall be bound to convey gratis all sealed post parcels which may be delivered at the station by the postal administration.

For the conveyance of State post carriages, 8d. per mile (5d. per kilometer) shall be paid to the company.

ARTICLE 21.

The Concessionary is also bound to undertake the telegraph service along the railway line, gratis for the Government, and on payment from the public.

ARTICLE 22.

When there is danger of war, in time of war, or in cases of internal troubles, the Government may, in the interests of defence or of the public peace, dispose of the railway and of everything required for the use thereof, and may cause the ordinary traffic to be discontinued entirely or partly, and may order all measures to be taken which to it appear necessary, subject to compensation to the Concessionary.

ARTICLE 23.

The Concessionary is bound at all times to grant free access to the rooms in the station intended for the public and the service, and, if necessary, to the railway, to the officers of the police and of the customs department, and in the discharge of their duties.

PART V.

THE ACCEPTANCE AND LAPSE OF THE CONCESSION.

ARTICLE 24.

The Concession is accepted by the Concessionary as soon as a capital of five million guilders shall have been obtained in shares and debentures, and the conveyance over the Portuguese territory shall have been arranged to the satisfaction of the Concessionary.

ARTICLE 25.

The Concession may be withdrawn :—

(*a*) If the guaranteed capital mentioned in Article 36 shall not have been placed at the disposal of the Government within the stipulated time by the Concessionary.

(*b*) If the Concessionary does not comply with the provisions of Article 28.

The Government is, moreover, competent to withdraw the Concession if it shall not have been accepted within six months after the Concessionary has received notice to do so, referring to this Article.

ARTICLE 26.

The provisions contained in Articles 9, 10, and 25 shall not apply if the Concessionary shows that the delay or neglect was caused by main force or by acts or neglect of the Government or its officers.

The Government is, moreover, competent to extend all the periods fixed in this Concession at the request of the Concessionary.

The Concessionary shall be considered to be in default, simply by the expiration of the periods fixed, and without it being necessary that this should appear by any act.

ARTICLE 27.

The Government has the right to appropriate the railway, provided it also appropriates all the property of the Concessionary, twenty years after the railway shall have been brought into working order, and thereafter at the expiration of every ten years, provided that at least one year previously notice be given to the company in Holland of the intention to appropriate.

The Government shall then pay the amount required for the complete liquidation of the company, together with a sum equal to twenty times the average dividend which has been paid out to the shareholders during the three last years of the working of the line, with a minimum of twenty times the interest guaranteed to each of the shareholders, and at least at par, after the deduction of the fine mentioned in Article 10.

(Modified Article 27, as per First Volksraad "besluit" Article 1333, dated 7th September, 1893.)

"ARTICLE 27."

"The Government has at all times the right to nationalise the railway, and "all the properties of the grantee, but not until it shall have previously given a "year's notice to the company in Holland of its intention to do so.

"If the nationalisation takes place on 1st January, 1915, or at intervals of a "period of ten years later, then the Government shall pay the money required "for the whole liquidation of the company, besides a sum equivalent to twenty "times the dividend that was paid out on an average to the shareholders "during the last three years of the exploitation, with a minimum of twenty "times the guaranteed annual interest to those upon whose shares an annual "interest of 5 per cent. or higher, and the full nominal amount of those shares "upon which a lower annual interest has been guaranteed. From this amount "will be deducted any eventual fines due by the company by virtue of Article 10.

"If the nationalisation should take place before the 1st of January, 1915, or "before the expiration of the next period of ten years, it shall take place upon

"the same basis as laid down in the second paragraph of this article, yet, in "addition, the nationalisation price shall be increased by one per cent. of the "nominal share capital for every year that the nationalisation takes place before "the 1st of January, 1915, or after the 1st of January, 1915, or the next follow-"ing stipulated period."

PART VI.

GENERAL AND FINANCIAL PROVISIONS.

ARTICLE 28.

The Concessionary is bound within six months after the Concession shall have been accepted by him, to establish a "Joint Stock Mercantile Company" in Holland, named the "Netherlands South African Railway Company," and to make over to this company the Concession gratis, *in toto*, and without reservation, and at least half of the number of directors of this company shall be Hollanders.

ARTICLE 29.

The company shall not deal with any undertakings other than those mentioned in this Concession, except with the consent of the Government of the Republic.

This consent is now given for the construction and working, or the working of a railway or tramway on Portuguese territory, from Delagoa Bay to the frontier of the Republic, which, according to Article 1, must be conjoined by the railway mentioned in this Concession.

ARTICLE 30.

The company is bound to liquidate in case the Government avails itself of the right of appropriation reserved to it in this Concession.

(Modified Article 30, as per First Volksraad "besluit," Article 1333, dated 7th September, 1893.)

"ARTICLE 30."

"When the Government avails itself of the right to nationalise the railway "from the Portuguese boundary to Pretoria, Barberton, Johannesburg and Vaal "River, this agreement shall be deemed to be cancelled, and the tramways and "line (herein referred to) within the meaning of this agreement, with everything "pertaining thereto, shall become the property of the Republic."

ARTICLE 31.

For constructing and bringing into working order the railways mentioned in Article 1, and whatever belongs thereto, including the cost of acquiring, if necessary, the Concession for the line Delagoa Bay—Transvaal frontier, all additional costs of construction, temporary works, management, obtaining or making over money, and also paying for account of the Republic, of the redemption and interest guaranteed by it on behalf of those railways, the company shall be entitled, subject to the provisions hereinafter contained, to issue to an amount of £9,600 per mile (£6,000 or 72,000 guilders per kilometer), shares and debentures bearing the counter-signature of the Government Commissioner in Holland, and which are thereby, by virtue of Article 32, directly guaranteed by the South African Republic.

Of this amount, one-fourth at most shall be obtained by issue of shares. The rate of interest of the debentures shall, in future, not amount to more than 4 per cent. (amended by resolution of the Hon. Volksraad, May 8th, 1891. See appendix A.).

The company may exceed the amount of £9,600 per mile, if under control, and with the cognizance of the Government Commissioner, with the consent of the Government, with advice and consent of the Executive Council, if this shall appear to be necessary for the completion of the railways under construction.

The rate of interest, the currency, the time, and the further conditions of issue or sale by the company of the shares and debentures mentioned in this Article, and also the proportion of the amount of the shares to that of the debentures, shall be determined by the company in consultation with the Government Commissioner in Holland, who, on instruction of the Government, shall countersign the documents in proof also of this consultation having taken place.

If this consultation has not led to agreement, the issue shall take place on the conditions desired by the Government Commissioner in Holland, in accordance with his instructions, but the shares or debentures not placed shall then be taken by the Government.

The Government shall have the right of option when the shares are issued on fixed conditions.

For the issue of shares or debentures, for purposes other than the above-mentioned, the express consent of the Government of the South African Republic, with advice and consent of the Executive Council is also required.

Article 32.

The South African Republic guarantees directly to the holders of all shares countersigned by the Government Commissioner in Holland, the interest therein expressed, calculated on the nominal amount of the company's capital paid up by them, and to the holders of all debentures, countersigned by the Government Commissioner in Holland, the redemption and interest, in accordance with the conditions of issue.

In the meantime the company binds itself, while any line or part of a line, the construction of which the company is bound to commence has not yet been brought into working order, and it has sufficient means for the purpose at its disposal, to advance to the Republic what it, for the reasons aforesaid, shall appear to owe in interest during that time to the holders of shares and debentures issued for the construction of that line, or of any section of that line.

The amount of this advance, for which the Republic shall be charged in the books of the company, may be called up when the Republic avails itself of its right to appropriate or when the company is in liquidation for other reasons.

Article 33.

In order to ascertain what the Republic, by virtue of the preceding Article, may become indebted for, or may have to pay in any year, the company shall open an account which shall be closed on the 31st December of each year, on which account are brought as assets all receipts without distinction belonging to the revenue account, and as liabilities:—

(1). All expenditure, except such as belongs to the construction and capital account, and except such as has been incurred for the guaranteed interest and redemption.

(2). Ten per cent. of the gross receipts of the working of the line, for the reserve fund mentioned in Article 35.

This account shall be framed in consultation with the Commissioner of the Government of the South African Republic in Holland.

The amount of the redemption and interest guaranteed in the first section of the preceding Article, reduced by the balance of this account, shall be the amount which the Republic, in accordance with the provisions of the second section of Article 32, shall have to pay annually to the company in Holland, within three months, at the latest, after the account has been tendered to the Commissioner. The amount which the company may receive from this source from the Republic, the company shall not be liable to refund to the Republic.

If the company neglects to pay out the redemption and interest guaranteed to the share and debenture holders by Article 32, and the Republic is compelled to pay this directly to the share and debenture holders, the amount of this payment shall be deducted from the first payment above-mentioned, due to the company by the Republic.

Article 34.

If the balance of the account mentioned in the preceding article amounts to more than the guaranteed interest and redemption, 85 per cent. of the surplus shall be paid to the Republic and five per cent. to the management and staff of the company.

The payment to the South African Republic shall take place at the office of the company in that country, within three months at the latest after the account shall have been tendered to the Commissioner of the Government of the South African Republic in Holland.

Article 35.

The reserve fund mentioned in Article 33, shall serve as far as possible to defray costs of repairs of extraordinary damage done to the line, works and rolling material, and generally the costs of all necessary renovations and extensions of the railways worked by the company. This fund shall be administered and invested separately, the interest being annually added to the capital.

As soon as, and as long as, a sum equal to forty-two hundred guilders (£350) per kilometer of £560 per mile in working order, has been reached, then the contributions otherwise destined for it shall be used for the redemption of loans.

This fund shall be considered to belong to the property of the company mentioned in Articles 9, 10 and 27.

Article 36.

As guarantee for the observance of the conditions of this Concession, the Concessionary, on accepting this Concession, shall pay to the Treasury of the South African Republic the sum of 100,000 guilders, which shall be refunded to the company one year after the railway shall have been brought into working order to Nelspruit, or, if the Concessionary constructs the extension line to Pretoria, as soon as the line shall be in working order to that place, or so much longer previously, as the Republic shall avail itself of its rights to appropriate.

On the guarantee fund 5 per cent. interest shall be annually paid to the company from the date of payment to the date of re-payment, payable in Holland on or before the 15th of January in each year.

ARTICLE 37.

The Government of the South African Republic shall appoint a Commissioner and a deputy in the South African Republic, and also with the company in Holland.

The Government Commissioners, or in the event of their inability, their deputies, shall have the right to be present at all the meetings of the company, the local Commissioner or his deputy, in the case of the Transvaal Republic, and the Government Commissioner, or his deputy in the case of meetings of the shareholders in Holland, and shall have the right to an advising voice in these meetings. They shall exercise an unlimited control over and superintend all matters pertaining to, and transactions of the company, and shall also have the right of access to the offices, to inspect the books, and to verify the accounts.

ARTICLE 38.

All disputes about the provisions of the Concession, and the way in which it is carried into effect, between the Government of the South African Republic or its officers, and the company or its officers, which cannot be settled amicably, shall be decided by two arbitrators, and when these do not agree in their award, by an umpire, who shall, as good men, without formality, pronounce judgment in the last resort. Each of the parties shall appoint one of these arbitrators, and these two arbitrators shall, before proceeding to deal with the dispute, appoint a third, who shall be umpire on all points upon which the two arbitrators cannot agree.

If the two arbitrators cannot agree on the selection of an umpire, the appointment of that umpire shall be made by the High Court of the South African Republic, if a local matter is the subject of dispute, and otherwise by the Court of Justice in Amsterdam.

ARTICLE 39.

In all cases in which consultation between the company and the Government of the South African Republic or its Commissioner is required, dispute shall be considered to have arisen if an agreement cannot be arrived at between them.

This Concession was approved of by resolution of the Honourable Volksraad on 26th June, 1890, and serves to replace the concession granted by the Government of the South African Republic, empowered thereto by the Honourable Volksraad by resolution of 27th May, 1895, with the amendment introduced therein by resolution of the Honourable Volksraad of 12th July, 1888.

APPENDIX A.

NETHERLANDS RAILWAY CONCESSION.

Article 31, third paragraph, amended by Article 32 of the Volksraad besluiten, dated May 8th, 1891 (minutes page 13), as follows:—

"The rate of interest of the debentures shall in future not amount to more than 4 per cent. without the consent of the Executive Council."

VI.

REPORT OF THE VOLKSRAAD DYNAMITE COMMISSION.

Presented to the Honourable the First Volksraad on the 22nd February, 1897. The following translation of the Commission's Report was made by the Chamber of Mines and circulated among its members.

Pretoria, 19th February, 1897.

HONOURABLE CHAIRMAN AND MEMBERS OF THE FIRST VOLKSRAAD, PRETORIA.

Honourable Sir,

Honourable Gentlemen,

Your Commission, appointed by First Volksraad resolution, Article 46, dated 4th February, 1897, completed by First Volksraad resolution, Article 187, dated 8th February, 1897, has, in the short time placed at its disposal, in consultation with the Government, instituted as thorough an enquiry into the matters upon which it was instructed as has been possible, and has now the honour to submit the following report to your Honourable Assembly for its favourable consideration.

1. The State monopoly for the manufacture, import and sale of powder, ammunition, dynamite and other explosives, was established by the Honourable Raad by its resolutions, Articles 1,266 to 1,301, 1,303 to 1,305, dated 1st to 5th September, 1893.

2. According to Article 4 of the said regulations the Government was authorised to entrust the carrying out of the monopoly conferred on it to other persons.

3. In accordance with the aforesaid authority, the Government, on the 24th May, 1894, entered into a contract with Mr. L. G. Vorstman, copy of which is attached to this report.

4. In Article 10 of the regulations, the Government was empowered to give instructions within the shortest possible time, but at the outside, within a period of 2½ years, to establish, complete, and bring into operation one or more factories for the manufacture of dynamite and other explosives of such nature and quality, and in such quantity, as the requirements and demand within the South African Republic shall demand and require.

5. In Article 6 of the contract, the agent undertook to establish a factory referred to in the aforesaid paragraph, at the outside, within 2½ years, after the 25th October, 1894,* thus on the 24th April, 1896.

6. The Government agent has, under Article 1 of the contract for the purposes thereof, the right to form a company in the South African Republic, which was done by him, the said company being entitled "The South African Explosives Company Limited."

* The date should be 25th October, 1893.

7. It has appeared to your Commission that the said company is now working two factories, one for the manufacture of powder, and the other for dynamite and other explosives. For reasons afterwards to be mentioned, your Commission occupied itself more especially with the last mentioned factory.

8. This factory was established and commenced working on the 22nd October, 1896, thus, after the expiry of the period fixed in the contract. Your Commission is, however, of opinion that with reference to this neglect, the occurrences during December, 1895, and January, 1896, ought fairly to be taken into consideration.

9. On Friday, 14th September, 1894, the Government, in accordance with a note to Article 6 of the contract, made a request to the Volksraad for an extension of the time for the establishment of the factories, whereupon the following resolution was passed by this body :—" Article 1711. The First Volksraad having considered the letter of the Government, dated 6th September, 1894, B.B. 1979/94, now on the Order, asking for agreement with the Executive Council resolution, Article 457, dated 6th September, 1894, submitted by the above-mentioned letter having considered the memorials and the report of the Commission taken with reference thereto, resolves not to agree with the Executive Council resolution, and not to grant the authority requested for the alteration of the instructions, and instructs the Government to act strictly in accordance with the regulations, and to reply to memorialists that their request cannot be complied with as the matter was decided last year by the Volksraad."

10. The Government agent has informed your Commission that the productive capacity of the said factory, which is now completed, does not at present exceed 80,000 cases per annum.

11. On 14th October, with reference to an application from the managers of the company, an Executive Council resolution was passed, which reads as follows :— Article 893. On the order, Minute R. 1480/96, letter sent in by the managers of the South African factories for explosives, stating that their factories are completed, and that they are now in a position to manufacture 80,000 cases of explosives per annum, and, further, after giving reasons, requesting that instructions may be given them for the building of further factories, which, if acceded to, they will complete within two-and-a-half years. The Executive Council having considered that request; having considered Article 10 of the regulations concerning the same, as well as Article 16 of the contract referring thereto; recognising the necessity, that within the borders of the country establishments should exist which are fully capable of manufacturing in accordance with the demand for explosives of the mining industry, etc.; resolves to comply with the request of the company, as contained in this letter aforesaid, and in accordance therewith and limited thereto to continue in force for a new period, at the outside, of two-and-a-half years, the provisions made in accordance with Article 10 relating thereto, and in connection with the aforesaid, to continue the stipulations of the company's contract of the 24th May in force for the purpose, and in so far as is needful to enable the company, in that interval to provide for the requirements of the country.

12. It appears to your Commission that this Executive Council resolution cannot be brought into agreement with the already quoted Volksraad resolution, Article 1711 of 1894. The Government agent has informed your Commission that since the passing of the said Executive Council resolution, the company has decided, and is now making preparations, to extend the workshops of the said establishment, and that it proposes within the two-and-a-half years provided in the Executive Council resolution, to double the productive capacity, thus bringing it up to 160,000 cases per annum, which number of cases by extreme effort can be increased to 200,000 cases per annum. Your Commission will return to this subject later.

II.—THE FACTORY.

1. Your Commission regarded it as their duty to visit the factory for dynamite and explosives on the farms Modderfontein and Klipfontein, to satisfy themselves as far as possible of the condition of things there.

2. By anticipation, your Commission may say that they were not only favourably impressed by the factory, but also that the Government agent and the officials with great willingness, submitted its plant and arrangements for inspection, and also in other respects afforded your Commission the fullest information.

3. The factory is divided into two chief divisions, viz., that for the manufacture of explosives, and that for the preparation of non-dangerous materials.

4. The arrangements for the preparation of non-explosives, include a factory for the manufacture of nitric acid; two factories for the manufacture of sulphuric acid; two for the concentration of already used acids (for which a third is in course of erection) and the necessary smithies, carpenters' shops, pump stations, cooling places, and the mechanical arrangements belonging thereto.

5. The factory for the manufacture of the actual explosives, such as from nitroglycerine and the manufacture of explosive gelatine, gühr, dynamite, etc., is divided into four compartments, in each of which in fact the same work is carried on, but which are separated from one another to diminish the effects of an explosion; also in each of these compartments the work is carried on in separate compartments or rooms, which are divided from each other by high earthen walls, and are protected in other ways. Although your Commission, not being experts, cannot pass a conclusive judgment on these arrangements, they desire to state as their opinion that, according to their judgment, all measures of precaution are taken to prevent avoidable danger.

6. Generally, your Commission again repeat that, so far as they can judge, the factory is arranged with the utmost efficiency, and excels in neatness and in constant vigilance.

7. There are at present 2,000 working men employed, of whom about one-fourth are whites.

8. The Government agent has informed your Commission that the cost of the factory to date, including the stock of materials calculated for 10 months, amounts to more than £900,000.

III.—MATERIALS.

1. Seeing that under Article 13, Division A, of the regulations, it is laid down that all the required materials which are found within the South African Republic, and the quantity, quality, or other properties of which do not prevent their being made use of, shall be used in the manufacture of explosives, your Commission regarded it as its duty to institute a strict inquiry with regard thereto. In the manufacture of nitroglycerine, which, in combination with other substances, makes blasting gelatine, dynamite, etc., nitric acid, sulphuric acid, and glycerine are required.

2. Nitric acid is now made in the factory from imported saltpetre. To the regret of your Commission, it appears that at present there is no prospect of being able to obtain sufficient saltpetre within this country.

3. Sulphuric acid is also made of imported sulphur now. The company, however, expect shortly to be able to produce sulphur from sulphuric ores, and they have already erected a furnace in which they have begun to test this. With regard to both the foregoing substances, your Commission has been informed that neither trouble nor expense has been spared to make their production from local materials possible.

4. Glycerine is a bye-product from candle and soap factories, and there is no prospect of this product being obtained locally.

5. Your Commission thus (without desiring to accuse the company of any want of zeal) cannot cherish the hope that the production of explosives will be independent of the importation of some of the materials.

6. Dynamite is made of nitro-glycerine and gühr; kieselgühr is found in this country, but, notwithstanding many attempts, the company has not yet succeeded in discovering it in sufficient quantity; there is, however, every chance that this will be done, but your Commission attach little importance to this, as the cost of locally prepared gühr exceeds that of imported, and also because from year to year the use of dynamite is superseded by that of blasting gelatine—a relatively cheaper, safer, and more suitable explosive. Cellulose is required for blasting gelatine, and this will not in the near future be produced here.

IV.—IMPORTED EXPLOSIVES.

1. As will be shown later by your Commission, explosives are still imported for the purpose of meeting the requirements of the local demand. This is done on the order of the Government agent.

2. These explosives, to wit, blasting gelatine and gühr impregné, are worked up in the factory. For the manufacture of blasting gelatine, as required for trade purposes, dynamite No. 1, the preparation is merely a making-up into cartridges, a very simple process. For dynamite No. 2 and other explosives, which, however, are relatively little used, other ingredients of little value are added.

V.—DEMAND AND PRODUCTION.

1. According to returns given to us by the Government agent, the demand for the whole country now amounts to about 200,000 cases per annum; this agrees pretty well with the return sent to us by the Chamber of Mines at Johannesburg, which gives the present requirements there as 186,000 cases per annum. The difference of 14,000 cases, therefore, represents the demands of the other mining districts and the remaining consumers of the Republic.

2. It is difficult to arrive at an estimate for the future. Your Commission, however, think—judging from the best information placed at their disposal—that an estimate of the demand for 1898, 1899, and 1900 is not calculated too high at 250,000 cases per annum.

3. As we have already stated, the company can now produce 80,000 cases. In 1899 it hopes to be able to double this production, or let us take it to increase it to 180,000 cases.

4. There will thus be a shortage as follows:—

1897	120,000	cases.
1898	170,000	„
1899	70,000	„
1900	70,000	„
Total	430,000	

This estimate is put low, and most favourably for the company, as any trouble at the factory that perhaps may occur, or any increased demand which, judging from the past, will probably take place, will considerably raise this shortage.

5. It is thus plain that the Government agent has not complied with the obligation which he undertook in the contract, viz., to produce dynamite and other explosives in such quantity as the needs and demands within the South African Republic may require and demand (see Article 10 of the regulations), and even though it should be possible to reconcile the Executive Council resolution of the 14th October, 1896, with the First Volksraad resolution, Article 1711, of 1894, and Article 16, paragraph A, of the contract of the Government agent; yet even then the last-mentioned obviously cannot satisfy his obligations, seeing that the Executive Council resolution says that the same has been passed to place the company in a position to meet the requirements of the country in that interval.

6. Nevertheless your Commission does not wish now to propose the cancellation of the contract or the suspension of the Government monopoly. The Volksraad has repeatedly declared the desirability of the trade and importation of powder, dynamite, and other explosives being in the hands of the State. Your Commission is also convinced of the benefits which are derived from the production of explosives in this country; and, further, your Commission is of opinion that the undoubtedly earnest efforts of the company to establish a local industry render it undesirable that the provisions of the contract should be applied too strictly.

7. For other purposes, however, the undoubtedly strong position in law of the State against the contractor should not be lost sight of.

8. Principally this point arises in connection with the question whether the Government agent shall still be allowed to import blasting gelatine and gühr impregné (which, in fact, is nothing but dynamite No. 1 not yet made into cartridges).

9. This importation yields very great profits to the company, which have nothing to do with the profits of the explosives produced by itself.

10. Your Commission gather from the accounts placed in their hands by the Honourable the State Secretary that the profit of the company on blasting gelatine and gühr impregné imported and paid for by the State amounts almost to £2 per case, of which only 5s. comes to the State.

11. Applying the above calculations to the 430,000 cases, the minimum which must be imported during the first four years, one arrives at this result, that, if the State itself imported, the national treasury would benefit to the extent of £860,000, while, if the company imports, the benefit to the State would be only £107,500, a difference thus of £752,500 loss to the State.

12. The benefit that the State should derive from itself importing would after 1900 be further increased through the augmented demand.

13. The only reason that makes your Commission hesitate to recommend that the importation of dynamite and other explosives, with all the benefits connected therewith, should be at once placed in the hands of the State, is a doubt whether the Government would be able to purchase these explosives equally cheaply as the company. The doubt arises from the fact that many of the greatest dynamite factories in Europe are important shareholders in the company, and thus possibly supply it with explosives on more favourable terms.

14. The Johannesburg Chamber of Mines asserts that the dynamite No. 1 (containing 75 per cent. nitro-glycerine) can be delivered in open market at 45s. per case. This price would give the Government a still larger profit, as this dynamite is now sold by the Government agent at 98s. 6d. per case.

15. Your Commission is, however, of opinion that in view of the question suggested in Artlcie 13, it would be more prudent to institute a thorough inquiry (for which time failed this Commission) for the purpose of establishing beyond doubt at

what price, and in what quantities the Government itself will be able to purchase explosives.

16. Your Commission therefore recommends your Honourable Assembly to institute an inquiry into this subject on the part of the Government through its official experts, who must obtain all information with regard to the question, where and under what conditions the required explosives can best be obtained.

17. A complete report of this inquiry ought then to be laid before your Honourable Assembly at its next ordinary sitting, when a final decision can then be taken on this subject.

18. Your Commission suggests further, that if the data obtained by them are correct, the Government, even if selling at much greater profit than it now gets, will be able to reduce the price of dynamite, and thereby meet the mining industry. It must, however, be kept in mind that the local factory ought not to be opposed by unfair competition.

19. Your Commission also thinks this a suitable time, having regard to all the foregoing, to enter into negotiation with the company for the raising of the State dues (5s. per case), and the reduction of its selling price for explosives, in which way perhaps a solution of all the foregoing problems will be reached, to the satisfaction of all the parties concerned.

VI.—ADVANCES.

1. Now coming to the point that specially gave rise to the appointment of your Commission, we wish to make the following observations :—

(*a*). That the imported explosives are purchased by the Government agent, who sends the accounts in to the Government, by whom they are settled.

(*b*). The explosives themselves, blasting gelatine, etc., do not come into the hands of the Government.

(*c*). When the agent sells, he repays the amount advanced by the Government increased by 5s. per case.

(*d*). A large quantity of explosives is kept in reserve (at the moment 60,000 cases), which reserve is more or less maintained, so that the advance is thus not repaid to the Government. The Government agent often repays the Government in excess of his sales.

(*e*) While the explosives are in the hands of the agent, they are properly insured at the cost of the company.

2. In view of the proposed inquiry, and in expectation of the decision of the question, who shall import in the future, your Commission proposes to place a sum of £350,000 provisionally on the estimates, instead of the proposed amount of £500,000.

VII.—POWDER AND AMMUNITION.

Although the question that led to the appointment of the Commission, was not in direct connection with powder and ammunition, and your Commission did not therefore consider it necessary, in view of the restricted time at their disposal to visit the powder factory, yet in the course of their work they made some observations which they think it serviceable to lay before the Honourable Assembly.

1. The manufacture of powder is limited in this factory to the making of gunpowder.

2. No attempts are made to manufacture the so-named new (smokeless) powder there.

3. The manufacture of this last-named article stands in close connection with that of nitro-glycerine, and would consequently very suitably constitute a subsidiary part of the manufacturing at the factory at Modderfontein.

4. The contract with the Government agent includes this (see Article 1.)

5. Your Commission has been informed on competent authority that, especially from a military point of view, the manufacture of such smokeless powder fully deserves the attention of your Assembly.

6. Your Commission intends thus to recommend that the Government be instructed to lay a full report on this subject before your Honourable Body at the coming May Session.

And herewith, honourable gentlemen, your Commission deem that they have fulfilled the task imposed on them, and have the honour to be

Your obedient servants,

CARL JEPPE, *Chairman.*

J. de CLERCQ, *Actn.*

J. du P. de BEER.

Members.

Chamber of Mines,
26th February, 1897.

VII.

BALANCE-SHEET OF THE SOUTH AFRICAN EXPLOSIVES CO, LTD.

31st December, 1896.

Dr.

To Share Capital		£450,000 0 0
(450,000 Shares at £1, fully-paid, issued in accordance with the Articles of Association.)		
„ Debentures—		
10,000 Five per Cent. Debentures of 500 francs each, repayable 31st January, 1900—5,000,000 francs...		198,500 0 0
„ Creditors		487,349 4 6
„ Reserve		64,000 0 0
„ Explosion Fund		20,000 0 0
„ Insurance Fund		286 17 8
„ Profit and Loss—		
Balance as per last statement, 31st December, 1895	£58,623 13 2	
Less Dividend declared 29th June, 1896	56,250 0 0	
	£2,373 13 2	
Balance of Profit and Loss Statement for 1896	56,965 1 10	
		59,338 15 0
		£1,279,474 17 2

Cr.

By Capital Outlay,			
Pursuant to agreement of 6th February, 1894, with the Zuid Afrikaansche Maatschappy van ontplofbare Stoffen, Beperkt, in liquidation.			
Amount as per last statement ...		£141,424 0 4	
Transfer to Leeuwfontein Factory Cost account ...	£17,000 0 0		
Sundry realisations...	2,469 1 7		
		19,469 1 7	
		£121,954 18 9	
Written off		121,954 18 9	
			£0 0 0
„ Leeuwfontein Factory Cost ...		£23,826 10 6	
Written off		3,826 10 6	
			20,000 0 0
„ Modderfontein Factory Cost			556,484 19 0
„ Baviaanspoort Factory—Sundry buildings, plant, &c., cost			1,000 0 0
(After writing off £335 8s. 5d. for depreciation; 1895, £336 17s. 7d.)			
„ Pretoria Office Furniture			280 0 0
„ European Office Furniture			600 0 0
„ Debtors, Cash, and Bankers' Balances			69,278 4 1
„ Modderfontein Shop			2,439 7 10
„ Difference between issue price and nominal value of Debentures and Commission and Expenses on Debenture Issue (to be written off in four instalments)		£16,121 18 5	
Less One-fourth, carried to Profit and Loss		4,030 9 7	
			12,091 8 10
„ Stocks and Value of Current Policies, &c.... ...			617,300 17 5
			£1,279,474 17 2

PROFIT AND LOSS ACCOUNT.

For the Year ending 31st December, 1896.

Dr.

To Rent ... (For Powder Factory at Baviaanspoort.)		£3,750	0	0
,, Government of the South African Republic ...		46,157	16	4
,, General Charges and Board Fees ...		34,500	4	11
,, Duties and Tax on Share Warrants and Debentures		2,888	9	1
,, Interest on Debentures ... (5 per cent. Debenture Interest for 11 months, 1896.)		9,075	0	0
,, Interest, Exchange, and Bank Charges ...		1,388	10	3
,, Difference between issue price and nominal value of Debentures and commission and expenses on debenture issue— One-fourth written off ...		4,034	9	7
,, Johannesburg Explosion ...		22,727	16	0
,, Amounts written off—				
Capital Outlay ...	£121,954 18 9			
Baviaanspoort Factory ...	335 8 5			
Pretoria Office Buildings and Furniture ...	276 19 6			
European Office Furniture ...	74 10 1			
Leeuwfontein Factory ...	3,826 10 6			
		126,468	7	3
,, Balance, carried to Balance-Sheet ...		56,965	1	10
		£307,951	15	3

Cr.

By General Manufacturing and Trading Account ...	£307,851	18	9
,, Sundry Fees ...	99	16	6
	£307,951	15	3

Examined with the Books, Accounts, and Vouchers of the Company and found correct.

C. W. C. KRAUSE, *Auditor.*

HAMBURG, 10th May, 1897.

VIII.

THE STATE DYNAMITE MONOPOLY.

Contract between the Government of the South African Republic and Lambertus Gerardus Vorstman, of Pretoria, concerning the carrying out of the State monopoly for the manufacture, sale, trade, and import and export of gunpowder, ammunition, dynamite, and all other explosives.

The Government of the South African Republic, acting with advice and consent of the Executive Council, in accordance with resolution dated 9th October, 1893, Article 573, being truly and lawfully represented by the Honourable the Acting State Secretary, Mr. Cornelis van Boeschoten, who in its name subscribes the same, and has been authorised to conclude this agreement, by resolution of the Hon. the First Volksraad, dated September, 1893, hereafter to be named the Government, of the one part, and Lambertus Gerardus Vorstman, of Pretoria, of the other part, have agreed as follows:—

ARTICLE 1. The Government appoints the second undersigned, to the exclusion of all other persons, as the sole agent for the carrying out of the monopoly for the manufacture, the importation and exportation, the trade in and the sale of gunpowder, fireworks, ammunition, dynamite, and other explosives of whatsoever nature. The agent shall have the right to establish a company for that purpose.

ARTICLE 2. The duration of this agency shall be for fifteen years from the date of this agreement.

Where nothing is said in this agreement, the regulations laid down by the resolutions of the Hon. the First Volksraad, dated 1st to 5th September, 1893, above-mentioned, and copy of which is annexed, shall be binding.

ARTICLE 3. The Government undertakes that, if it issues permits to persons, as mentioned in Article 2 of the regulations, the following conditions shall be of force:—

(*a.*) Permits shall only be issued to persons or companies who have given a declaration in writing that they require the explosives only for their own use, and the quantity shall in no case be greater than for a consumption of three months.

(*b.*) No permit shall be of force longer than four months from the day of issue.

(*c.*) All explosives under such permits will be subject to a special import duty of 8½d. (eightpence half-penny) per lb. above the ordinary *ad valorem* duty.

(*d.*) The Government shall, on application concerning same, nominate to the agent an official who will give him monthly information how many and to whom permits for the importation of dynamite, etc., have been granted, and whether and when such dynamite has been imported, in order to be able to take measures with respect to the quantities required for consumption.

ARTICLE 4. The rent of the gunpowder manufactory, as mentioned in Article 5 of the regulations, is hereby fixed at £3,750 per year.

The Government shall have the right to take back the gunpowder manufactory at any time during the continuance of this contract against payment to the agent for the extraordinary improvements that have been effected, and which have been approved of by the Government, provided these are serviceable, and at the value they have at the moment of taking over, wear and tear, etc., being taken into consideration.

In this case the payment of the rent shall only take place to the day of taking over.

ARTICLE 5. The maximum prices, as mentioned in Article 6 of the regulations, which the agent shall be allowed to charge, shall be reckoned as follows:—

For dynamite known as No. 1	...	...	...	£4	15	0
Do. do. No. 2	...	...	...	4	5	0
Do. do. No. 3	...	...	...	3	15	0

The agent shall, in supplying cartridges to the Government, be held and be obliged to charge no higher price than that for which the same can be imported from Europe, not including the import duties, and the Government reserves to itself the right to supply the burghers of this Republic with such cartridges as it may deem fit but only for own consumption.

ARTICLE 6. The agent undertakes to erect the manufactories mentioned in Article 10 of the regulations, at such spots or places as the agent shall appoint in consultation with the Government, at the outside within two years and a half from the date of the signing of this contract.

The agent undertakes to pay the rent fixed in Article 11 of the regulations, and the sum of 5s. on each case of dynamite sold, every three months, accompanied by duly certified statements, as well as an amount not exceeding 20 per cent of the surplus. By surplus is understood the balance which remains after deductions of all cost, wear and tear, the usual writings off, and an interest of 8 per cent. (eight per cent.) on the capital.

The agent shall be bound to keep proper books, in commercial style, as is customary in institutions of this nature, and the Government shall have the right at all times to cause these books to be inspected by an official, or person, or a commission of officials or persons to be appointed thereto.

A proper balance sheet shall be made up annually, whereby, in terms of this Article, the surplus shall be shown. Thereafter a certified copy shall be sent to the Government, and the amount due to it shall be paid.

ARTICLE 7. The Government undertakes, with respect to the letters patent mentioned in Article 12 of the regulations, that the following stipulations shall be of force:—

In the event of the Government granting letters patent for any explosive, such letters of patent shall, however, not give the right to anybody else than to the agent, to whom the carrying out of these instructions is entrusted by the Government, to manufacture the material therein mentioned, and to sell the same within the boundaries of the South African Republic.

Should the Government or the agent deem it desirable to apply or bring into use the said invention, and should the Government in that case not be able to come to terms with the owner of, or the person entitled to, that invention with regard to the application of the same, then the parties, (Government and patentee) shall each nominate an arbitrator, whilst the third arbitrator, or umpire, if necessary, shall be appointed by the Chief Justice, whose decision shall be final.

ARTICLE 8. This agreement shall be of force within the territory of the South rican Republic, in so far as it now extends or eventually may be extended.

If the territory of the South African Republic should in the future contain tricts or provinces in which provision already has been made with respect to the terials or substances which form the subject of the agreement, it will depend upon e Government whether these instructions will also be applied to the new districts or ovinces.

ARTICLE 9. Should the agent of the Government, during a defined period, not be le to satisfy the requirements for explosives within the Republic, in consequence of plosions, accidents, calamities, or other superior force and causes arising beyond the ntrol or fault of the agent, the Government may import these materials until the ent shall be able to supply the required materials. In that case the Government ves to the agent the preference for the carrying out of the same. The agent shall obliged, after any accident, as mentioned in this Article, to place the manufactories ain in working order within the shortest possible time.

ARTICLE 10. If the Government imports any explosive, as mentioned in Article of the regulations, it gives the preference to the agent to do such in its name.

ARTICLE 11. All persons employed by the agent are hereby freed from personal litary service on commando or in the field, provided their contracts are drawn up th the condition that the Government shall have the right at any time, if deemed cessary, to take over the contracts, and they bind themselves to serve the period of rvice with the Government.

ARTICLE 12. Should the Government avail itself of Article 15a of the regulations, shall be bound to buy the explosives required in the country in terms of this con- act from the agent, costs of trade deducted.

The period in Article 15f of the regulations is hereby fixed at six months.

Should the agent, by his own interference, fault, negligence, or default, fail to rry out the conditions of this agreement, after having been required in writing to so, and after having been allowed at the outside a period of six weeks to do so, the overnment will have the right to cancel this agreement; if the default or neglect is be attributed to malice, the Government will have the right to cancel this contract ithout any notice.

ARTICLE 13.—The agent is entitled to entrust the sale of the articles mentioned this agreement to one or more persons.

ARTICLE 14.—The agent of the Government is obliged to pay import duties on e machinery and tools required in the carrying out of this agreement.

ARTICLE 15.—The Government may prescribe measures of precaution or safety ith reference to the transport and storage of the said materials.

The Government shall not hinder the export of these materials, except for reasons danger to the State, or other weighty reasons.

ARTICLE 16.—With reference to Article 17 of the regulations, the Government akes the following arrangement with the agent to the exclusion of everybody se :—

(*a*). During the time that the manufactories to be erected by the agent are not completed, the Government itself shall import all materials and substances required for the manufacture of dynamite and other explosives in the magazines of the agent, and, according to a tariff of prices, quality and quantity to be approved of by the Government, with this understanding,

that this importation shall only continue during the time that the manufactory or manufactories shall not have been completed, and in any case not longer than during a period of two and a half years.

(*b*). The Government shall place the said materials and substances at the disposal of the agent for manufacture, trade and sale, according to the conditions above mentioned, and the agent shall manufacture, trade in and sell on the order and for account of Government, under the conditions above mentioned, in so far as they apply here.

(*c*). The agent shall send statements to the Government every month, detailing the manufacture, trade and sale, and shall pay to it all moneys received for the sale thereof, from which, after deduction of five shillings per case, and the moneys paid by the Government for the materials imported, the balance shall be handed to the agent.

ARTICLE 17.—The agent shall be obliged, within eight days after the signing of this contract, to give proper security for the due performance of the obligation to erect the manufactories mentioned herein, and the carrying out of the contract until the manufactories shall have been erected and shall be in working order, to an amount of £30,000, for which all his assets in this country shall be available, and proper deeds of hypothecation shall be passed.

ARTICLE 18.—All disputes as to the meaning or reading of this agreement that may arise between the parties shall be decided, to the exclusion of the ordinary judges, by arbitrators as in highest instance, and shall be finally binding on the parties.

Should the parties not be able to come to an amicable arrangement with regard to the interpretation of this agreement, the one party shall give notice in writing to the other, and whatever the questions of dispute arising out of this agreement, they shall submit the same to the decision of the arbitrators.

The parties then shall each nominate an arbitrator, who, together, shall nominate a third. Decisions shall be given at the outside within three months. If one of the parties should not in good time appoint an arbitrator, or in the event of the two arbitrators not agreeing in the choice of a third, then the Chief Justice, or his substitute in the Supreme Court of this Republic, shall make a nomination, the parties having been heard or summoned.

Thus done and contracted at Pretoria, this 25th day of the month of October, 1893, in the presence of the subscribed witnesses.

(Signed) C. VAN BOESCHOTEN,
Acting State Secretary.

(Signed) L. G. VORSTMAN.

Witnesses:

(Signed) W. E. HOLLARD.

(Signed) P. L. A. GOLDMAN.

X.

List of Electors

According to Returns from Field-Cornets throughout the S. A. R.

(Taken from the "State Almanac" for 1897.)

Districts.	Males between 18 and 34 years of age.	Males between 34 and 50 years of age.	Males under 18 and over 50 years of age.
Bloemhof	467	311	124
Carolina	182	329	50
Ermelo	390	228	147
Heidelberg	915	471	192
Krugersdorp	—	900	—
Lichtenburg	580	268	157
Lydenburg	507	218	125
Marico	547	418	200
Middelburg	1,067	592	396
Piet-Retief	200	85	78
Potchefstroom	1,966	941	693
Pretoria	2,095	866	513
Rustenburg	1,352	499	436
Standerton	696	268	116
Utrecht	381	146	82
Vryheid	484	214	182
Wakkerstroom	560	265	179
Waterberg	455	184	93
Wolmaranstad	328	111	94
Zoutpansberg	626	347	210
Goldfields	511	331	122
Grand Total	14,259	8,152	4,089

XI.

Statistics of White Population of the South African Republic.

According to the latest Returns obtained.

(Taken from the State Almanac for 1897).

Districts and Diggings.	Males.	Females.	Total.
Barberton	3,500	2,900	6,400
Bloemhof...	2,000	1,600	3,600
Boksburg	3,200	2,100	5,300
Carolina	2,500	1,200	3,700
Ermelo	2,700	1,850	4,550
Heidelberg	5,770	2,050	7,820
Johannesburg (town)	32,387	18,520	50,907
" (neighbourhood)	4,000	2,500	6,500
Krugersdorp	10,500	9,950	20,450
Lichtenburg	3,500	3,000	6,500
Lydenburg	1,500	1,250	2,750
Marico	3,500	3,000	6,500
Middelburg	5,500	4,000	9,500
Piet-Retief	600	560	1,160
Potchefstroom	12,600	12,300	24,900
Pretoria	15,700	14,600	30,300
Rustenburg	5,600	5,000	10,600
Standerton	3,800	3,750	7,550
Utrecht	1,750	1,100	2,850
Vrijheid	2,640	2,520	5,160
Wakkerstroom	6,000	5,700	11,700
Waterberg	2,600	2,300	4,900
Wolmaranstad	1,600	1,500	3,100
Zoutpansberg	4,500	4,200	8,700
Total	137,947	107,450	245,397

The area of the Transvaal is given at 120,000 square miles, which makes an average of 2·04 whites to the square mile and the average of the native population 5·18 to the square mile, and of whites and blacks 7·22 to the square mile.

XII.

Statistics and Census of the Native Population of the S.A. Republic.

According to statements received.

(Taken from the State Almanac for 1897.)

Districts.	Number of Men.	Number of Women.	Number of Children.
Zoutpansberg (Klipdam, Kalkbank and Spelonken)	17,877	22,551	48,169
Waterberg	5,598	8,828	29,287
Lydenburg	6,591	9,332	8,706
Utrecht*	—	—	—
Marico	3,030	1,796	2,704
Piet-Retief	4,583	5,488	11,800
Middelburg	6,335	8,325	17,690
Rustenburg	5,484	5,466	13,173
Bloemhof, wijk Vaalrivier	359	367	915
Standerton	1,181	1,431	3,395
Ermelo	1,313	2,132	4,819
Vrijheid	5,984	9,066	13,753
Wakkerstroom, wijk No. 3.	1,081	1,541	2,920
Pretoria, wijken Krok. rivier and Witwatersrand	2,132	2,466	5,584
Lichtenburg	1,357	1,494	3,080
Heidelberg	1,622	1,561	2,612
Potchefstroom	2,687	2,523	7,830
Carolina	1,028	1,420	2,528
Krugersdorp	387	373	1,034
	68,629	86,160	180,099
Further estimate of population in Zoutpansberg	59,691	73,806	154,159
Total	128,320	159,966	334,258

*No Returns.

Total Native Population 622,544

XIII.

THE PASS LAW.

LAW NO. 31, 1896.

Being amendment of Law No. 23, 1895.

Declared valid by the Hon. First Volksraad by Article 2289 of their minutes, dated 10th September, 1896, until the First Volksraad decides more particularly with regard to them in their next ordinary session.

WHEREAS it is deemed necessary to amend Law No. 23, 1895, so it is hereby enacted as follows:—

Regulations in terms of Article 88 of the Gold Law. For the purpose of facilitating and promoting the supply of native labour on the public diggings of this Republic, and for the better controlling and regulating of the natives employed, and the relations of employer and native labourer.

IT IS ENACTED:—

1. These regulations shall only after proclamation, as in Clause 2 provided, be of force and effect within the boundary of the proclaimed public diggings of this State, and shall, therefore, in no way be taken to interfere with Law No. 13 of 1880, 3 of 1876, and 6 of 1880, or with Law No. 22 of 1895 (Native Pass Law), which laws shall remain in full force and effect within the proclaimed gold fields, in so far as they do not conflict with the provisions of these regulations, these regulations being regarded as special additional laws for the area proclaimed. The area mentioned in the third clause of Article 153 of Law No. 21, 1896, shall also be regarded as coming under these regulations.

2. These regulations shall come into force and effect for such public diggings and private unproclaimed ground of this State as the State President, with the advice and consent of the Executive Council, shall from time to time determine, and shall by proclamation in the *Staatscourant* proclaim as coming under the operation thereof.

3. Such public diggings shall simultaneously with the proclamation of the above effect be deemed, for the purposes of these regulations, to be divided into as many labour districts as there shall for the time being be Mining Commissioners and judicial officers on such goldfields, and the labour district will have the same boundaries and be coterminous with the district of the jurisdiction of such Mining Commissioner or judicial officer; provided always that the Government shall have the right to declare any town within the proclaimed area as a separate labour district.

4. In these regulations the word "native" shall be deemed to apply to males of all the native and coloured races of South Africa.

Every native, on entering any district governed by these regulations, and being in possession of the pass required by existing pass law, shall, without unreasonable

delay, repair to the district office and get a pass and a badge as hereinafter provided for, and in proceeding thither he shall be protected by the pass he holds.

Any servant travelling within his labour district on his employer's service will be protected if he, in addition to the pass and badge required by these regulations, has a free written pass in terms of Article 1 of Law 22 of 1895 (Native Pass Law).

5. Upon entering the boundaries of a proclaimed goldfield and private unproclaimed area falling within the operation of these regulations, a native shall be bound, before engaging himself to any employer, to repair to the office of the Mining Commissioner or to the office of the officer or officers appointed for the district, and there exchange his travelling pass, whether same be from within the Republic or from beyond the borders thereof, for a district pass of the form on schedule A.

6. The Mining Commissioner or pass officer appointed for the district shall enter in a register to be kept for the purpose, of the form of schedule B hereto, the name of the native, his tribe, chief, father, district or country, stature and marks, if any, etc., and he shall also number each native consecutively. Such registered number shall thereafter be the native's official mark so long as he remains within the district. All these particulars shall likewise be entered on the district pass, form schedule A.

7. In addition to the district pass to form A, the pass officer shall at the same time issue to each native a metal ticket or badge, on which shall be clearly stamped or impressed at the time of issue the native's registered number, the initial letters of the labour district, and year of issue. This ticket or badge shall be attached to a strong leather strap or buckle, and must be worn by the native round his left arm above the elbow, so as always to be clearly visible. Such district pass and badge shall be issued free of charge.

8. Such district pass and metal badge shall enable and authorise the native to whom it is issued, to seek employment within the labour district for which it is issued for a period of three days from the date of issue.

9. If the native fails to find employment within the prescribed three days from the date of issue of district pass, or after discharge by his last employer, he shall return to the Mining Commissioner or pass officer who issued the pass and badge, and may have an extension of a further three days endorsed thereon by the pass officer, on payment of a fee of two shillings; failing to find employment within the further three days, he shall return to the pass officer, and it shall be in the discretion of the pass officer or officers charged with the administration of these regulations to require from such native his district pass and metal badge, and in return issue to him an exit or travelling pass, in terms of Articles 8 and 9, and the native shall pass on to another district or return to his home.

10. The district pass and metal badge will hold good so long as the native remains in the labour district.

11. A native working on a proclaimed goldfield, and wishing to remove from one labour district to another, on such or any other proclaimed goldfields, or to his home, or to any part of the Republic, if beyond the labour district, shall first apply for leave to do so from the Mining Commissioner or other appointed pass officer in his district, and such leave shall be granted him, provided he then holds a district pass, in clear order, with metal badge, and that his last employer, if any, shall have filled in the full discharge required on the district pass, form A. Thereupon the Mining Commissioner or pass officer shall issue a travelling pass of the form set out in schedule C, in exchange for the district pass and the metal badge held by such native, on the payment by the native of a fee of one shilling.

12. The Mining Commissioner or pass officer shall register the date, number, and particulars of such travelling pass against the native's name and number in the

register, form schedule B, and shall immediately destroy the district pass and metal badge received from such native.

13. Upon arriving in any new labour district of a proclaimed goldfield, a native travelling under the pass above described shall be bound immediately to repair to the Mining Commissioner thereof, or other officer appointed for the purpose, and there obtain a district pass and metal badge in manner and of form above described.

14. Any native found in the labour district without the district pass of form A and metal badge, or without a travelling pass, or any defaulter under Article 9, shall be punishable by a fine of not exceeding £3, or not more than three weeks' imprisonment with hard labour for first offence, and for second offence a fine not exceeding £5, or not more than four weeks' imprisonment with hard labour and lashes, and at the discretion of the Court before whom he shall be convicted for every offence thereafter.

15. Any native who has lost his district pass or metal badge, or both, may apply to the district officer who issues the same for a new pass or badge in substitution for the one lost, and the district officer shall issue a new district pass or badge if he is satisfied of the identity and *bona fides* of the applicant by means of a letter from the last employer, if any: provided that the applicant shall pre-pay for such new pass or badge a fine of 5s.

16. Any native being in possession of, or using or counterfeiting a district pass, employer's pass, travelling or exit pass, or metal badge, or falsely stating that he has not previously been registered, or making any other false statement, or doing any act for the purpose of deceiving the pass officers or evading these regulations, and any native who shall transfer any of the passes or metal badges hereinbefore described to any other person, and any native who shall accept transfer, or make use, or be in possession of any pass or metal badge belonging to any other native, shall be deemed to be guilty of contravening these regulations, and shall, upon conviction, be punished by a fine of not exceeding £5, with imprisonment of not exceeding one month and lashes not exceeding 25.

17. The Government shall make arrangements as it may deem desirable, so that each labour district in a proclaimed goldfield shall use and issue a pass distinctive in colour from those of the other labour districts, and metal badges with initial letters of each district, in order to facilitate the detection of vagrants or natives moving in any labour district without a pass and badge for that district.

18. Any native leaving a labour district without the proper travelling pass of form C shall be liable to a fine not exceeding £3, or one month's imprisonment with hard labour, with or without lashes. Should it appear to the satisfaction of the Court that the native has left his last or any employer in breach of his contract, then the said fine may be increased to £5, and the said imprisonment to two months.

19. It shall not be lawful for any person within the proclaimed public diggings:—

(*a*). To engage or employ any native unless he is provided with a clear district pass and corresponding metal badge at the time such native seeks employment.

(*b*). To engage or employ any native unless his district pass shall show that he has been duly discharged by his last employer, if any.

(*c*). To provide a monthly pass for a native labourer who is not *bona fide* in his service.

(*d*). To act as agent or intermediary with regard to the issue and obtaining of passes and metal badges for native labourers according to this law.

20. Immediately after engagement the employer shall enter upon the district pass of such native engaged all the particulars as required on the face of the district pass,

form A. And shall take from the native such district pass and issue instead thereof an employer's pass of form D. This employer's pass shall be renewed monthly on the first day of each month, and for the first pass and each renewal thereof the native shall pay the sum of 2s. per month. And the employer shall be liable to Government for such amounts of pass moneys on every native in his employ, and he shall further be responsible for and issue the passes monthly to each and every native employed, such passes to be supplied by and purchased from the Government.

21. The employer shall take possession of and be responsible for the safe-keeping of all district passes so long as the native remains in his or their employ, and on the termination of the native's service the employer shall enter upon the said district pass the particulars of such native's discharge as are required by the pass form, and then return the pass to the rightful owner thereof.

22. Any employer who shall be convicted of a breach or failure to comply with any of the provisions of Clauses 19 to 21, or illegally withholding district pass from, or coercing any native, shall, upon conviction, be punished with a fine of not less than five pounds, and not exceeding one hundred pounds for each and every breach or failure in respect of every native employed, or in default with imprisonment not exceeding six months, with hard labour. In the event of the employer being a company or syndicate, then, and in such case, the manager shall be responsible.

23. Every employer employing more than twenty native labourers shall be obliged to keep a register according to schedule form F, and shall at the end of each month, and not later than the fifteenth day of the month following, fill in and send in a return to the Mining Commissioner, or pass officer of his district, of form F schedule, giving the registered numbers of badges and district passes, with name, etc., of all and every native engaged and discharged during that month. Such returns shall be filed and kept by the pass officer for record and reference.

24. Every employer failing to comply with the foregoing regulations, or making false or fraudulent returns, shall be liable to a fine of not less than £5, and not exceeding £100.

25. Any person making use of the provisions of these regulations for the purpose of imposing on and defrauding a native labourer of the wages, rations, or advantages due to him, shall, upon conviction of such offence, be liable to a fine not exceeding £100, or three months' imprisonment, with or without hard labour.

26. Any person found guilty of forging, counterfeiting, or imitating any of the passes or metal badges issued under these regulations, or forging, counterfeiting, or imitating any stamp, seal, or signature, or any such stamps, seals, or passes orges, which may have been issued in terms thereof, and not being the employer described in such employer's pass or form, or any pass, or not being by the employer authorised so to do, but making or writing on such pass or badges any entry, name, or mark intended to defraud the Government officials, whose duty it shall be to issue or inspect such pass or badge, or to deprive the employer, if any, of the services of such native, or in any other way to defeat the provisions of these regulations, shall, on conviction of each and every or any such offence, be punishable by a fine not exceeding £100, or by imprisonment not exceeding three months, with or without hard labour.

27. The Government shall appoint such officers in each district as may from time to time be found necessary for the due and proper administration of these regulations. And shall further appoint special labour inspectors for each labour district, with power to summarily arrest all natives contravening these regulations.

The duties of such special labour inspectors shall *inter alia* be:—

(*a*). To make regular and frequent inspections of registers of native labour kept by employers, to inspect all natives employed, to ensure that their

badges are worn and in order, and, if need be, compare any or all such natives with the district pass filed by the employer.

(*b*) Inspect monthly passes of all such natives.

(*c*) To inspect employers' passes or district passes, and metal badges of all natives when and wherever met.

(*d*) Generally to see that the provisions of the law and these regulations are carried out.

(*e*) To make a proper report to the pass officer of their district of every inspection held by them in accordance with the above regulations, and to keep a proper diary of their work.

28. Any native found by the police or special labour inspectors without his proper badge, and either district, travelling, or employer's pass, or being a defaulter under Article 9, shall at once be arrested, and fined or punished by any qualified Court having jurisdiction in terms of these regulations.

29. All complaints by employers as to desertion of natives shall be communicated to the district officer, or the inspectors, whose duty it shall be to take the badge and pass numbers, names, etc., of such deserters, and do whatever may be necessary to arrest the deserters for punishment in terms of these regulations.

30. All complaints by natives against employers shall be made to the inspectors, who shall at once report to the district officer appointed for that purpose, whose duty it shall be to make a full and proper investigation into the cause of complaint without delay; and, if need be, submit the matter to the Public Prosecutor, who shall at once proceed against the employer under the provisions of these regulations.

31. All fines imposed under these regulations shall be paid to the Government of the South African Republic.

32. All contraventions of these regulations and of any of the provisions thereof shall be cognisable by any Court having jurisdiction under the Master and Servants' Law, No. 13 of 1880, and under Law No. 22 of 1895 (Native Pass Law), and in whose jurisdiction the offender may be found. And such Courts are authorised to adjudicate on all such contraventions, and to impose the fines and penalties in these regulations and the schedules thereof provided for. All complaints under the regulations shall be brought to trial within 48 hours after arrest; the Court, however, having the right to direct postponements.

These regulations shall not affect the validity of the Supplementary Regulations of the Johannesburg Sanitary Committee, published under Government Notice, No. 385, on the 8th November, 1893, but, on the contrary, such Supplementary Regulations shall remain in full force and effect, and natives licensed thereunder shall be exempt from the provisions of these regulations with regard to district passes, metal badges, and employers' passes, so long as they remain under the said regulations of the Sanitary Board.

33. All pass issuers appointed in terms of this law to the various labour districts shall be *ex officio* Justices of the Peace.

34. Law No. 23, 1895, is repealed.

35. This amended law comes into operation immediately after publication in the *Staatscourant.*

The various passes A, B, C, D, and E, published in the 1895 Report of the Chamber of Mines, are unaltered. Schedule F had not been drawn up at the end of the year.

XIV.

IEDULE OF NATIVE WAGES, WITWATERSRAND.

Agreed to at a combined meeting of Mining Companies, May, 1897.

MINE.	s.	d.
ne helpers	1	8
ıer boys	1	6
l boys	1	3
boys (10 feet trucks) ...	1	2
boys (16 feet trucks) ...	1	6
ıaft and winze boys ...	1	8
haft boys	2	0
haft boys (when develop- only)	2	6
:utting hitches for timber	1	6
:r boys	1	2
gangers' assistants ...	2	0
n boys (where white man ıployed)	1	2
n boys (where no white ı employed)	2	6
›ist drivers	2	0
man's assistants ...	1	8
ayer's assistants ...	1	6
ıan's assistants ...	1	6
SURFACE.		
rs (12 hours)	2	6
rs (eight hours) ...	1	8
e cleaners	1	6
ıg boys	2	0
gear boys (where white ı employed)	1	4
gear boys (where no white ı employed)	2	6

MILL.	s.	d.
Elevator boys	2	0
Vanner boys	2	0
Mill boys (12 hours) ...	2	0
Mill boys (eight hours) ...	1	4
Blanket and sluice boys ...	2	0
Crusher boys	1	4
Surface trammers	1	9
Mule drivers	2	6
CYANIDE.		
Solution shed boys	1	4
Boys (filling and discharging)	1	9
Zinc cutters	1	6
Tramming residues... ...	1	4
GENERAL.		
Fitters' boys	1	6
Blacksmiths' boys (strikers) ...	2	6
Blacksmiths' boys (helpers) ...	1	4
Carpenters' boys	1	2
Masons' boys	1	4
Police	2	6
Compound cooks	2	0
Drill packers	1	0
Drill sorters	1	6
Surface labourers	1	2
Office and store boys ...	2	6
Assay office boys	2	6
Coal boys (off-loading) ...	1	6

IOTES.—Timber boys assisting in timbering shafts, to be paid at the rate of wet ry shaft boys.

Seven and one-half per cent. of the natives employed may be paid special rates.

Month to be reckoned as consisting of at least 30 working days.

THE LIQUOR LAW

OF THE SOUTH AFRICAN REPUBLIC.

ACT No. 17, of 1896.

Being an amendment of Act No. 13, of 1892.

As amended and revised by Acts No. 12 of 1893, No. 21 of 1894, and No. 18 of 1895, defining the manner in which wines and spirituous or malt liquors including kaffir beer may be sold.

Approved of by resolution of the Honourable the Second Volksraad, Article 876, dated 22nd July, 1896, and accepted as notice by the Honourable the First Volksraad, under Article 1150 of its minutes, dated the 7th of August, 1896.

No liquor to be sold without a licence.

1. No one may sell, dispose of, or trade in wines, malt or spirituous liquors, including kaffir beer, without being duly provided with a special licence, as hereinafter set forth.

Fines and penalties.

Any person contravening this Article, shall, on the first offence, be punished with a fine of not less than £36, and not exceeding £75, or, failing payment, with imprisonment, with or without hard labour, not exceeding six months for the first offence; on a second offence with a fine of not less than £150, or, failing payment, with imprisonment, with or without hard labour, for not less than twelve months; on a third offence with a fine of not less than £300, or, failing payment, with imprisonment, with or without hard labour, for not less than 18 months.

Growers and producers require no licence.

The owner or tenant of a farm or piece of ground, or the person authorised by him to convert the produce thereof into wine or spirituous liquor, may, however, on that farm or piece of ground, sell the produce thereof, but then in quantities of not less than one bottle.

They may remove and sell.

2. The person referred to in the last paragraph of Article 1 shall further also be permitted to remove and sell his wines or other spirituous liquors in the above-mentioned quantity without licence, except on premises, or within the limits of villages or stand townships, or within three miles of any mining works.

Such person will, however, be permitted to sell without licence by wholesale on public markets, and also to licensed liquor dealers, provided he is provided with a certificate from the Fieldcornet of his ward, or Landdrost of his district, showing that the wines or spirituous liquors were manufactured on the farm or piece of ground mentioned in the last paragraph of Article 1.

Licences where granted.

3. No licence for the sale of spirituous liquors, by retail or wholesale, shall be granted, except in established and acknowledged towns and villages, and diggings under Government control.

[By resolution of the Second Volksraad on the 22nd July, 1896, the operation of this Article was suspended for 12 months, in order to give the public an opportunity of expressing their views.]

4. The licences referred to in Article 1 shall be the following:— Licences.

(a) Licence for the sale by wholesale. Under this licence not less than two gallons in vessels, or twelve bottles may be sold. Wholesale.

(b) Licence for a bottle store. Under this licence no sale by smaller measure than by the half-bottle shall be permitted, and always with the understanding that the liquor sold under this licence shall not be consumed on the premises for which licence is granted. Bottle store.

(c) Licences to sell by retail. Any quantity of liquor may be sold under this licence, and be consumed on the premises for which licence is granted. Retail.

(d) Licences for roadside hotels. This licence is only granted for roadside hotels. These hotels shall be at least six miles distant from any town, village, or stand-township, seat of a Landdrost, Mining Commissioner, or resident Justice of the Peace. Roadside hotels.

(e) Licence for the sale of malt liquors by retail. This applies to beer-halls where only malt liquors are sold. Said liquors may be sold under this licence in quantities of less than a bottle, and may be consumed on the premises for which the licence is granted. Malt liquors.

(f) Licensed liquor dealers contravening the conditions stipulated in their licence, shall be punished with the penalties laid down in Article 19 of this Act. Penalties.

5. Anyone exchanging or selling wines, spirituous or malt liquors to any coloured erson, shall be subject to the penalties laid down in Article 1 of this Act. Selling to coloured persons.

6. It is prohibited to give wine, spirituous or malt liquors, including kaffir beer, o coloured persons on diggings under Government control. Any person contravening he stipulation in this Article shall be punished with a fine not exceeding £500, or, ailing payment, with imprisonment, with or without hard labour, not exceeding one ear. Giving to coloured persons.

7. The licences are issued for not longer than one year, ending with the official ear, that is the 31st December. Licences may be issued for one or more quarters. Term of licence.

The payment for licences shall be as follows:— Licence fees.

(a) Licence for selling by wholesale, £25 per annum; £9 per quarter.

(b) Licence for a bottle store, £40 per annum; £12 per quarter.

(c) Licence for selling by retail, £75 per annum; £22 10s. per quarter.

(d) Licence for a roadside hotel, £35 per annum; £10 per quarter.

(e) Licence for selling malt liquors, £25 per annum; £9 per quarter.

(f) The Government shall have power to authorise the reduction of the amount for retail licences granted by the local Commissioner in small villages of not more than 100 white male inhabitants above 16 years, to the sum of £40 per annum and £12 per quarter, provided the applicant has proper lodging for six persons, and stabling for eight horses, mules, or donkeys.

8. No licence is required for the brewing of malt liquors or distilling of liquor; but rewers, distillers, or others, excepting persons mentioned in the third paragraph of rticle 1, who sell such brewed or distilled liquors, shall take out a wholesale licence r the sale of such liquor, or be subject to a fine for the sale of liquor without licence terms of Article 1 of this Act. To obtain this licence no application need be made the commission mentioned in Article 9 of this Act. No licence required for brewing and distilling, but wholesale licence to sell liquor.

9. There shall be a commission in each district and on every public digging to nsider the applications for liquor licences, which commission shall be styled "The ommission for Liquor Licences." Licensing Commission.

10. This commission shall be constituted as follows:—On the public diggings the pecial Landdrost, and where there is no Special Landdrost the Mining Commissioner. Constitution of Commission.

In the districts, the Landdrost of the district, who shall also be *ex officio* chairman of the commission, and who shall be assisted by four members to be appointed by the Government, after consultation with the State Attorney. This commission shall be appointed for a period not exceeding two years with this understanding that regardless of the date of their appointment, the Government and the State Attorney shall, on or before the 1st December of every two years, appoint new members. The retiring members may be re-appointed.

Term of office.

Secretary of Commission.

The chairman shall recommend someone to the Government to act as secretary.

Town Council to appoint two members.

Where there is a town council on any proclaimed goldfield or stand-township, or in any other town or village, such town council shall have the right to nominate and to appoint two members out of their number, who shall be added to the Commission for Liquor Licences.

Three members a quorum.

Casting vote.

11. Three members of this commission shall form a quorum. When the votes are equal the chairman shall have a casting vote, and in the event of there being no quorum on the day and at the hour appointed by the chairman, the chairman shall have the right to adjourn the commission till a day appointed by him, of which a fresh notice must be given by him to the members.

Commission to sit quarterly.

The commission shall sit on the second Monday in the months of March, June, September, and December, or as soon as possible thereafter, to deal with applications for licences, etc.

No special sittings.

No special sittings of the commission shall be held.

Remuneration.

12. The members of the liquor commission shall receive a remuneration of £2 each for each day of sitting, and the secretary of the said commission £2 for each day of sitting and 2s. 6d. for each application.

Who shall not sit on Commission

13. The following persons shall not be eligible to be chosen or appointed, or if elected or appointed as such, shall not be able to remain acting as members of the Commission for Liquor Licences :—

(*a*) The holder of any licence for the sale of intoxicating liquors.

(*b*) Any brewer or distiller.

(*c*) Any person connected with or interested in a partnership with any holder of such licence as aforesaid, or with any brewer or distiller.

(*d*) Any person employed either directly or indirectly as an agent for the purpose of applying for a licence for any other person, for any partner or for any person thus employed as an agent.

(*e*) No person, the proprietor of a place for which a liquor licence has already been granted, or for which application for a licence is being made.

(*f*) No police officer.

(*g*) No person, either the proprietor or holder of any property, or the agent or manager of, or a partner in, any trade or business carried on upon any property in possession of a liquor licence, or who has made application for a liquor licence, or the holder of any bond on such property, shall take part in the discussion or consideration of any application for or concerning any licence upon such property.

(*h*) An un-rehabilitated insolvent.

(*i*) A person who, here or elsewhere, has had judgment against him of more than six months' imprisonment. Any person who accepts or continues in the appointment as member of a Commission for Liquor Licences, contrary to this Article, shall be punished with a fine not exceeding £500, and imprisonment not exceeding three years with or without hard labour.

Procedure *re* application for licence.

14. For the obtaining of a licence legalizing the sale of wines, spirituous or malt

liquors within this Republic, the applicant must for that purpose first send in an application to the secretary of the Commission for Liquor Licences of the district or the diggings in which he desires to carry on his business. The secretary shall at once register the same in a book kept for the purpose, and have the same published as set forth in Article 15, and lay the same before the commission at its first sitting.

The application must be accompanied by an amount sufficient to cover the costs of publication, and carry a stamp of 12s. 6d.

15. The application for the abovementioned purposes, shall, at least six weeks before the sitting of the commission, be handed in to the secretary of the commission for liquor licenses for the district or diggings in which the place is situate, for which application has been made. The secretary shall further cause the application to be posted on the office door of the official entrusted with the criminal jurisdiction, as also on the *erf* or on the house or room for which licences are asked, and shall cause it to be published once at least in one of the local newspapers, if there are such, in the Dutch language, and once in the *Staatscourant*, to appear at least a month before the sitting of the commission.

When application must be sent in.

Publication.

All objections and protests against the granting of any application must be sent in in writing to the secretary, and notice of the same must be given to the applicant by the person or persons objecting. This must be done personally or by registered letter at least five days before the sitting of the commission.

Objections and protests.

This stipulation shall not apply to objections made by officials of the State, or officials of any town council.

Applicants for liquor licences must appear personally before the Commission for Liquor Licences.

Applicants must apply personally.

It shall be permitted to any applicant to be represented before the commission, but only by advocates, attorneys, or law-agents, duly licensed and admitted according to the laws of the land.

16. The granting of licences for the sale of any kinds of liquors on any ground given out as a mynpacht, claim, bewaarplaats, machine-stand, or water-right; or on stands situate on any of the said localities; or on ground reserved in terms of Article 55 of Law No. 19 of 1895 (Gold Law); or in any compound, is totally prohibited.

Where licences prohibited.

17. No liquor licences shall be granted to—

Licences refused to

(*a*) A person who has had judgment against him, here or elsewhere, of more than six months' imprisonment.
(*b*) Any person who is not residing in the South African Republic.
(*c*) An un-rehabilitated insolvent.
(*d*) Any person below 21 years of age.

Should it afterwards transpire that a licence has been granted to, or transferred to any person incapacitated as above set forth, the licence shall be considered as null and void, and the building in which the business was carried on shall be closed forthwith upon instructions of the Landdrost or official entrusted with the criminal jurisdiction. Any licence-money paid therefor shall not be refunded by the Government. To a person whose application for a liquor licence has been refused by the commission, because of contravention of the Liquor Law, no licence shall be granted within two years after such refusal. In the event of any licence being cancelled by judicial sentence, no licence shall be granted for the same premises for the sale of wines, spirituous or malt liquors for a period of two years from the date of such judgment.

Licences null and void.

Licences refused

Licences cancelled.

When a licence is, in terms of this Article, declared forfeited, and the licence-holder notes an appeal, the licence shall, notwithstanding the appeal, be considered

forfeited until the High Court shall decide thereon, and the building or buildings shall be closed immediately, and the sale of wines and spirituous or malt liquors prohibited.

No licence to coloured person.

No liquor licence whatsoever shall be granted to coloured persons.

Complaints of police.

Licences in proportion to population.

The commission shall, in the hearing of the applications for liquor licences, take into consideration the complaints of the police and the detectives, as also the complaints of the Inspector of Mines on the diggings, and limit the number of licences in proportion to the population of an area, so that no more than four licences shall be granted to a community ranging from one to 500 persons, and not more than one licence for every 400 above the 500 white male persons over 16 years of age.

No reasons given for refusing applications.

The commission shall have the right to refuse new licences, or the renewal of existing licences, without stating any reasons. The commission may grant a licence under such conditions as they shall stipulate, which conditions must be stated in the licence. When the commission consider it necessary, they shall have the right to examine any person under oath, and if it is discovered that the witness has made a false declaration, he shall be held to have committed the crime of perjury and be punished according to law.

Applicants examined under oath.

[The operation of Article 17, was suspended by resolution of the First Volksraad on 29th September, 1896, in terms of the following minute of the Executive Council].

RESOLUTION OF THE EXECUTIVE COUNCIL, ARTICLE 808, DATED 22ND SEPTEMBER, 1896.

"Under discussion: Minute R 12376, 1896, containing a letter from the chairman of the Liquor Commission at Johannesburg and a petition of wholesale dealers in spirituous liquors, both in reference to Article 17 of the Liquor Law; further, four memorials from burghers of Pretoria and Zoutpansberg in relation to the application of the Liquor Law;

"The Executive Council *considering* the petition of several firms at Johannesburg, that have for some years been engaged in the wholesale traffic in spirituous liquors, in reference to the application of Law No. 17 of 1896 (the Liquor Law) and especially Article 17 of this Law;

"*Considering* that according to the petition sent in, a strict application of Article 17 of said Law on 1st January, 1897, the date on which the Law is to come into force, will cause great losses to several *bona fide* dealers, to their employees and to other persons, who stand in relation to them;

"*Considering* that it is the desire of the Executive Council to devote its attention as much as possible to the alleged facts, and if possible to meet them;

"*Considering* that it is desirable to make transition regulations, previous to strict application of the letter of the Law;

"*Considering* the contents of the memorials mentioned above in reference to the enforcement of the Law;

"*Considering* that Article 17 of the said Law, as amended, has not been laid before the people for approval in the usual way;

"*Considering*, in conclusion, that according to the resolution on this matter, Article 876, dated 22nd July, 1896, the Honourable Second Volksraad has suspended the clause relating to the granting of licences to hotels along the roads, in order to have it laid before the people for approval, while on the other hand it was explicitly resolved that the prohibition of the sale of liquor to natives should

in any case be applied, but no special resolution was taken in reference to Article 17 of the Liquor Law;

"*Resolves:* to request the Honourable First Volksraad,

"1. To authorise the Executive Council to suspend the enforcement of Article 17 of the Liquor Law (Law No. 17, of 1896).

"2. To instruct the Executive Council to draw up as soon as possible according to circumstances, transition regulations in reference to the licences that are to be issued and all matters in relation thereto, with power to enforce these transition regulations immediately, in so far as may seem necessary even in the course of this year.

"3. To instruct the Executive Council to offer at the next session of the Honourable Second Volksraad after proper publication in the *Staats Courant*, according to law, definite draft regulations in reference to the granting of licences."

Transfer of licences.

18. The chairman shall have the right, subject to Article 17 of this Act, to transfer licences from one person to another for the same premises where such business is carried on.

Transfer fee.

For each such transfer, a fee of ten shillings shall be charged, to be affixed in stamps to the application.

The commission shall have the right to transfer previously-granted licences from one place to another, on payment of ten shillings in stamps as above set forth.

Of this application for transfer, six weeks' notice shall be given as set forth in Article 15 of this Act.

Transfer in case of fire.

When through fire or other unforeseen circumstances, such is urgently required, the chairman of the Liquor Licensing Commission shall have the right, subject to subsequent decision of the commission, to transfer a licence from one place to another place, building, or room.

Special licences for short periods.

In special cases, the chairman of the Liquor Licensing Commission, has the right to grant permission to licensed liquor dealers on application, to sell liquor also at other places for a period not exceeding six days, on payment of £1 per day in stamps affixed to the permit.

Selling contrary to licence.

19. Any person holding a licence for the sale of wines, spirituous or malt liquors, and carrying on his business in a manner or at a place contrary to his licence, shall be punished for the first offence with a fine not exceeding £50; for the second offence with a fine not exceeding £100: and for the third offence with a fine not exceeding £200; and failing payment of these fines, the penalty shall be imprisonment, with or without hard labour, not exceeding three, six and twelve months respectively. No transfer of a licence shall be granted within six months after the conviction of the holder of the licence for contravention of one of the stipulations of this Act.

Decisions of Commission.

20. The decisions of the commission regarding the approval or otherwise of licences, transfer thereof, etc., shall be communicated as speedily as possible to the official entrusted with the issuing of the licences, and to the officials of the prosecution within the limits of whose jurisdiction the licence shall be granted, who shall then act in accordance with the decisions of the commission.

Surety bond.

21. As soon as a retail licence, or a licence for roadside hotel shall have been granted to any person who has applied for the same, such person shall pass a surety-bond before the official empowered to issue licences, and who is hereby authorised to accept such surety-bond for the sum of £200 sterling, with two good sureties who shall be jointly responsible.

Form of surety bond in term of schedule A.

Must affix sign board in conspicuous place

22. Any person having obtained any licence, either for wholesale or retail, as aforementioned, shall place or affix in a conspicuous place to the wall on the outside of the building where such wines, spirituous or malt liquors are sold, a signboard on which, in large, visible and legible letters of at least two inches long, shall be painted his full name, or in case of partnerships, the name or title of the firm or partnership, and underneath this name or title, the words "Licensed Dealer" or "Dealer in wines, spirituous or malt liquors, by wholesale or retail," as the case may be, and shall keep such signboard in good repair during the continuance of such licence, and in default of affixing such signboard, or of keeping the same in a good state as aforesaid, he shall be liable to and incur a fine not exceeding £5; and in case the full amount of the fine imposed, together with the costs, be not paid within three days of the decision of the judge, then to imprisonment not exceeding one month, unless the fines and costs be previously paid. But nothing in the law contained shall be construed as if any signboard were required to be affixed and placed on an hotel, boarding or lodging-house, or club.

Penalty for illegally affixing signboard.

23. Anyone who has obtained no such licence as aforesaid, and who shall affix any such signboard on front of his house, shop, or store, or any other place, shall be punished with a fine not exceeding £50, and in default of payment, imprisonment not exceeding three months.

No coloured person can be employed to sell or give.

24. A licensed liquor dealer shall not be permitted to employ a coloured person behind any bar, to sell, give, or dispose of wines, spirituous or malt liquors to any customer.

Upon a contravention of the above regulation, the holder of the licence will be punished with a fine not exceeding £25, and in default of payment, imprisonment, with or without hard labour, not exceeding three months.

No back or side door to be used as entrances or exits.

25. A licensed canteen, bar, or beer-hall keeper in a town, village, stand-township, or diggings, shall not allow any customers to enter or leave his apartment set aside for the sale of drink by a back or side door, or through a door which connects with a shop or business, under penalty for the first offence of a fine not exceeding £10, or, in default of payment, imprisonment not exceeding one month; for a second offence a fine of £20, or, in default of payment, imprisonment not exceeding three months; for a third offence, a fine not exceeding £50 sterling, or, in default of payment, imprisonment not exceeding six months, with forfeiture of licence.

No other business on licensed premises.

26. It shall not be lawful for a licensed liquor dealer to carry on any business in the same room, other than the sale of liquors under this law, and tobacco, cigars, and cigarettes by retail.

It is prohibited to serve liquor, either for money or otherwise, on the same premises where a shop business is being carried on.

On a contravention, the holder of the licence shall be punished with a fine not exceeding £25, and, in default of payment, imprisonment not exceeding two months.

Written permission required to allow another person to manage.

27. In case of a licensed dealer in liquors under the provisions of this Act, allowing another person to manage or supervise the building or buildings for which, or in which, he holds a licence to sell spirituous or malt liquors, during his absence or in any other way, for more than 28 consecutive days, without previous written permission of the Landdrost or official of the criminal jurisdiction, he shall be liable to a fine not exceeding £50, and, in default of payment, imprisonment not exceeding three months.

Temporary transfer of licence.

28. Upon written request of both parties, signed in the presence of two witnesses, the Landdrost or official of the criminal jurisdiction shall have the right to temporarily

transfer any licence under this Law to another person to manage the said business as aforesaid for the licensed dealer in liquors, for a period to be fixed by him. During such period, such manager shall be responsible for all contraventions of this Law, or any subsequent laws, regulating the sale of liquor, in a similar manner as set forth in Article 49 of this Law.

No liquor to b sold on Sun days, &c., o between 9 p.m and 6 a.m.

29. No licence-holder under this Act will be permitted to sell liquor or keep open any rooms or apartments in his building or buildings for the sale of such liquors as aforesaid, or permit liquor to be drunk or used therein during any part of the Sunday, Good Friday, Easter Monday, Whit Monday, Dingaan's Day, and Christmas Day, or between the hours of nine in the evening and six in the morning of any other day, except in the hotels, boarding and eating-houses approved by the commission, wherein liquor may be supplied to lodgers and boarders at meals as required by them; with the understanding that nothing contained in this Article shall have reference to the sale of liquor in clubs approved by the Government.

Contraventions of the above stipulations will be punished with a fine not exceeding £25, or, in default of payment, imprisonment with or without hard labour not exceeding two months.

Permit to kee open till 1 p.m. on work ing days.

30. The Landdrost or official entrusted with the criminal jurisdiction shall have the right to grant to licensed retail liquor dealers, permission to keep open after 9 p.m. until 12 p.m. on working days. This permission may be granted for a period not exceeding one month, with right of withdrawal. The permit shall carry a stamp calculated at 2s. 6d. per day. Any person keeping open without permission as above-mentioned, shall be punished with a fine not exceeding £25, or, in default of payment, imprisonment with or without hard labour not exceeding two months.

Coloured person in possessio of wine, &c.

31. Any coloured person found in possession of wine, spirituous or malt liquors, provided he is not lawfully carrying such wine, spirituous or malt liquors for his master, shall be punished with imprisonment, with or without hard labour, not exceeding three months; lashes may also be imposed, not exceeding twenty-five. The liquor found in his possession shall be declared forfeited for the benefit of the public revenue.

Permits to na tives prohibite

32. Any person who issues a written consent or a permit to any native not in his employ, or who falsifies any written consent or permit, or any native who issues such permit either for himself or for others, shall be punished with a fine not exceeding £100, or imprisonment, with or without hard labour, not exceeding six months. In the case of natives, lashes may also be added, not exceeding twenty-five.

Persons under 1 years of ag cannot be sup plied wit wines, &c., o persons unde influence of li quor.

33. No person shall, with or without a licence, sell, give, exchange, or in any other way dispose of, wines, spirituous or malt liquors, to any child under 16 years, or to any person already under the influence of strong or intoxicating liquor, under penalty of a fine not exceeding £50, and, in default of payment, imprisonment, with or without hard labour, not exceeding six months.

No liquor to pe sons habituall intoxicated.

34. No person shall, with or without licence, give or in any other way dispose of or hand out wine, spirituous or malt liquors to any person after being warned by the Landdrost or official entrusted with the criminal jurisdiction, or by the husband or wife or any other relation of such person, or by any other person interested in him, that he or she is in the habit of getting intoxicated, and after being requested by such Landdrost or official entrusted with the criminal jurisdiction, relation or other interested person, not to sell or dispose of wine or any other intoxicating liquor to such person as aforesaid. Any contravention of the stipulations of this Article or any portion thereof, shall be punished for the first offence with a fine not exceeding

£15, or imprisonment, with or without hard labour, not exceeding three months; and for every subsequent offence, imprisonment not exceeding six months, with or without hard labour; and shall be liable in addition to pay compensation for fines or any other injury to the person to whom he shall have sold or handed such drink as aforesaid, and which such person may have incurred in consequence thereof; as also to pay compensation for all damages which such person, acting under the influence of liquor, has occasioned or caused to any other person, or to the property of any other person. In case of any sale of wines, spirituous or malt liquors in any case as aforementioned on credit, the purchase amount shall not be recoverable in any Court of Law.

Accomodation to be provided by roadside hotels

34A. In future no licence for roadside hotels shall be renewed, unless the applicant produces a certificate from the Fieldcornet of his ward, or Landdrost of his district, declaring that on the place for which the renewal is desired, there is proper accommodation for six persons and stabling for eight horses, mules or donkeys.

In case of new applications, the party to whom a roadside hotel licence has been granted, shall be bound to provide proper accommodation for people and animals as above set forth within two months from the date of the granting of such licence.

Failing compliance with the stipulations contained in section 1 of this article, the licence shall be refused by the commission.

Failing compliance with section 2 of this article, the licence shall be withdrawn by the commission or Landdrost.

Hotel, boarding or lodging house licences.

35. No hotel, boarding or lodging house licence, in terms of Act No. 13 of 1887, will be issued in towns, villages, or public diggings, for buildings in which wines and spirituous or malt liquors are sold, without the consent of the commission, who shall first satisfy themselves that the buildings are suitable for that purpose, and that the business conducted therein is that of a *bona fide* hotel, boarding or lodging house.

Right of entry in premises in cases of breach of the peace.

36. For the better maintenance of public peace and order, it shall be lawful for any Landdrost, Justice of the Peace, Fieldcornet, or police officer, at all times to enter upon any building, *erf*, place or stand within his jurisdiction, belonging to any licensed liquor dealer where any uproar or breach of the peace is taking or has taken place, or whenever persons may be found there at hours and on days forbidden by the law, or which may be found to be frequented by men and women of acknowledged bad character, in order to remove or to arrest, or take into safe custody, any uproarious, peace-disturbing, or drinking persons found there, not being *bona fide* residents therein, and should the holder of the licence of any such house or his representative or subordinate refuse to allow any of the above-mentioned officials to enter, or hinder or resist them in the execution of their duty, he shall be punished with a fine not exceeding £50, or in default of payment, imprisonment with or without hard labour, not exceeding six months.

It is further understood that in case of refusal to allow the officials aforementioned to enter, they shall have the right to enter the place by force.

Right to close licensed house in case of breach of the peace.

37. The Landdrost or official entrusted with the criminal jurisdiction, or any Justice of the Peace, Fieldcornet, or Assistant Fieldcornet, shall have the right, when any disturbance or breach of the peace takes place, or has taken place, to close up, or to have any places where liquor is sold closed up, for a period not exceeding one month, and should any person keep open against the order of the said official, he shall be punished with a fine not exceeding £50, and, in default of payment, imprisonment with or without hard labour, not exceeding three months, and his licence may be declared forfeited.

The official above-mentioned shall in such case within three days send a full report, accompanied by all the documents, to the State Attorney, who is hereby authorised, should he think fit to reduce the above stipulated period.

38. Any person found by the Landdrost, Fieldcornet, Justice of the Peace, or police officer, in a state of drunkenness, or drunk and incapable, or drunk and disturbing the peace, whether in a street, road or lane, or in a public building, store, shop, hotel or anywhere else, may be arrested without a warrant, and should this occur in the evening, be locked up in gaol or in a reformatory, and shall in any case without delay be brought before the Landdrost or Justice of the Peace the following day or as soon as possible thereafter, provided it is not a Sunday or public holiday. Every such person shall, if found guilty, be fined a sum not exceeding £1 for the first offence and, in default of payment, imprisonment with or without hard labour, and with or without spare diet, not exceeding fourteen days; and in case of repeated contraventions with a fine not exceeding £5, and in default of payment, imprisonment with or without hard labour and with or without spare diet, not exceeding one month. In cases of natives thus arrested, lashes may also be added, not exceeding fifteen for the first offence, and not exceeding twenty-five for subsequent offences. Drunken persons may be arrested without a warrant.

39. Any Landdrost or official having similar jurisdiction, Public Prosecutor, Resident Justice of the Peace, Justice of the Peace or Fieldcornet, shall, if satisfied by an affidavit that there exists a well-grounded suspicion that at any place in any building, room, or in any vehicle whatsoever, wine, spirituous or malt liquors are sold or kept with the intent to sell, without the owner, occupier, or caretaker holding a licence under this Law, be authorised to issue a warrant to search the house. The person or persons executing this search warrant shall have the right if necessary to enter the house or place, or vehicle mentioned in the warrant by force, and to seize any wines, spirituous or malt liquors, together with the casks or bottles and cases which contain the liquors, and to take into lawful custody the person or persons in whose possession such liquors are found. Search warrants may be issued if well grounded suspicion exists.

The owner, occupier or assignee as abovementioned, if found guilty, shall be punished in terms of Article 1 of this Act, and everything which has been seized shall be forfeited for the benefit of the public revenue, with the understanding however, that all reasonable expenses of seizure shall be compensated out of the proceeds of the goods seized.

40. Whenever any person shall give information under oath to the Landdrost, Resident Justice of the Peace, or official having similar jurisdiction, and shall show reasonable grounds why he suspects anyone of selling any of the liquor aforementioned without a licence, it shall be lawful for such Landdrost, Resident Justice of the Peace, or official with similar jurisdiction, within his jurisdiction to summon such suspected person before him, as also any other person whom such official may consider able to give good evidence in such case to be examined before him, on the complaints against such a suspected person, and should such persons thus summoned as witnesses refuse to appear or refuse to be examined under oath and give evidence as aforesaid, it shall be lawful for the said Landdrost, Resident Justice of the Peace, or other official as aforementioned, to place every such offender in custody for a term not exceeding one month, or till such time as he shall no longer refuse to give evidence as aforesaid. Procedure in cases of suspected persons

41. Any Landdrost or official having similar jurisdiction and any Resident Justice of the Peace shall be authorised if reasonable grounds of suspicion are brought to his notice that any person is dealing in liquor contrary to the provisions of this Act, to grant a search warrant to search any shop or other premises where it is suspected liquor is kept. Dealing contrary to provisions of this act.

Right to enter and inspect license.

42. Any Landdrost or official having similar jurisdiction, Resident Justice of the Peace, Justice of the Peace, Fieldcornet or Public Prosecutor, Chief of the Police, or Chief of the Detective Department, or any police officer authorised by them in writing, shall have the right to enter any house or room where wine, spirituous or malt liquors are sold, and demand inspection of the licence. When this is not produced and no just reasons are given for the non-production thereof, the licensed liquor seller shall be punished with a fine not exceeding £10, or with imprisonment not exceeding one month.

Judgment endorsed on licence when found guilty.

43. Whenever any licensed dealer shall be tried for any contravention of this law he shall hand his licence into court. This document shall be sufficient proof that he is the licensed liquor seller meant in the case in question. Should he be found guilty the Court shall endorse the judgment at the back thereof, but in case the judgment be quashed on appeal, such shall be endorsed on the back thereof by the Lower Court. Should the accused not produce his licence or give no valid reasons, he shall at the same trial and without the necessity of any further proceedings be punished with a fine not exceeding £10, and, in default of payment, imprisonment not exceeding one month.

How summons may be served.

When a licensed liquor dealer shall be summoned for a contravention of any regulation of this Act or any subsequent Acts regulating the sale of strong or malt liquors, and the messenger of the Court is not able to serve the summons personally, he may leave a copy of the same in the building where the liquor was sold. And should the licensed liquor dealer not report himself within fourteen days thereafter to the Court of the Landdrost or official of the criminal jurisdiction mentioned in the summons, the Public Prosecutor shall apply to the Court to have the said building or buildings closed forthwith for the sale of strong or malt liquors. The Court shall then have the right to order, without any further process, that the request be complied with and to cancel the licence. The registrar of the Court after having endorsed the licence shall inform the secretary of the Commission for Liquor Licences of such person.

Unless licence is produced, to be considered unlicensed.

44. When any steps are taken against any dealer, seller or owner of liquor who sells liquor without a licence or contrary to the terms of his licence, such person shall be considered as unlicensed, or not to hold the licence under which he is accused of having traded, until at the trial of the case he produces his licence or proves that he has one.

If premises are used for immoral purposes

45. Should any licensed liquor dealer permit any of his premises or rooms to be used for immoral purposes, the Landdrost or official entrusted with the criminal jurisdiction shall have the right, after satisfactory proof, to declare the licence forfeited, and to close the said premises or room for the further sale of liquors under this Act.

Action cannot be instituted for recovery of money due for liquor.

46. It shall not be lawful for anyone to institute any proceedings or bring an action at law for recovery of any sum of money for or on account of any wines, spirituous or malt liquors sold on credit in any quantities less than the quantity allowed to be sold under a licence mentioned under "*b*" of Article 4 of this law; and in case any person shall take or receive from anyone any pledge by way of security for the payment of any sum or sums of money for such liquors thus due, or in payment thereof take or receive any article whatever in place of money, he shall be liable to a fine not exceeding £20 for each pledge so received and accepted by him, and the person or persons to whom such pledge may belong shall have the same right to the recovery of such pledge or the value thereof, as if it had not been given as a pledge.

47. When any one who has no licence to sell by retail, gives to any other person liquor for which he receives a consideration, although he represents it as though the consideration received is for something else, he shall, notwithstanding that such consideration is indeed and actually partly given for something else, be convicted for the sale of liquor without a licence, and be punished with the punishment laid down for this contravention. Unlicensed person giving liquor for which he receives a consideration.

48. Public Prosecutors of the different Courts shall be bound in all cases where natives are brought up for drunkenness to institute a most searching enquiry as to the cause of the drunkenness, and the place where and the person by whom liquor has been supplied them, for the purpose of prosecuting such person for illicit liquor trade. Searching enquiry when natives are found drunk.

In the event of the native charged with drunkenness refusing to give the name of the person who supplied him with liquor, or to point out the place where he obtained the liquor, he shall be punished with a fine not exceeding £5, or imprisonment with or without hard labour not exceeding one month, and with or without lashes not exceeding twenty-five.

49. Every licensed liquor dealer shall be responsible for any and every contravention of this Act which may take place on his premises, even should such contravention be caused by his servants, subordinates, or representatives, or any other person. Should it however clearly appear that such contravention was caused with the intent to injure such dealer in liquor as aforesaid, or to have him punished, such liquor dealer shall not be responsible for such contravention. Dealer personally responsible

50. It is prohibited for any licensed dealer in liquors to give, sell, barter, or dispose of in any other manner, any wines, spirituous or malt liquors to any police official or turnkey during the time he is on duty or on guard, under penalty of a fine not exceeding £10, or imprisonment not exceeding one month. No policeman or turnkey to be supplied with liquor while on duty.

51. A police officer shall neither directly nor indirectly have any interest in any business where wines, spirituous or malt liquors are sold, neither shall he be entitled to receive, either directly or indirectly, any gift or favour from any licensed liquor dealer. In case of a contravention, the convicted police officer will be punished with a fine not exceeding £500, and imprisonment not exceeding twelve months, with or without hard labour. No police officer can have any interest in a licensed house.

52. All contraventions of this Act may be brought before and decided by the Landdrost or official with similar jurisdiction, or Resident Justice of the Peace within whose jurisdiction the same may occur.

53. Nothing contained in this Act shall be taken to mean or be construed to require a licence to be taken out for the sale of any of the liquors aforementioned by a Sheriff or other official acting under authority of any Court, Judge, or Landdrost, or by trustees in insolvent estates, or executors testamentary and dative. Sheriffs do not require licence

54. The regulations with regard to public diggings are also applicable to such pieces of ground as have been either by law or by Government resolution placed under the jurisdiction of the official on the diggings. Ground under jurisdiction.

55. The Government may allow a part, but not more than one-third, of the imposed and paid fines to go to the informer. Fines to informants.

56. All previous Acts and Regulations for the sale of wines, spirituous or malt liquors hitherto having force at law, are hereby repealed. Previous acts repealed.

57. This Act comes into operation on the 1st of January, 1897.

The following Articles retain force of law in accordance with a resolution of the Second Volksraad:—Article 875, dated 22nd July, 1896; Article 4, letter *d*; Article 7, letter *d*; and Article 34a.

(Signed) S. J. P. KRUGER,

State President.

DR. W. J. LEYDS,

State Secretary.

Government Office,
Pretoria, 17th August, 1896.

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XVI.

THE GOLD LAW.

(S. H. BARBER'S EDITION.)

LAW No. 21 of 1896.

DIFFERENT GOLD LAWS.

LAW 2 of 1872.
„ 7 of 1874.
„ 6 of 1875.
„ 8 of 1885.
MODIFICATION OF LAW 8 of 1885 (29th July, 1886).
APPENDIX TO LAW 8 of 1885 (7th March, 1887).
LAW 10 of 1887.
„ 9 of 1888.
„ 8 of 1889.
„ 8 of 1890.
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„ 18 of 1892.
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LAW NO. 21 OF 1896,

ON THE DIGGING FOR AND DEALING IN PRECIOUS METALS AND PRECIOUS STONES WITHIN THE SOUTH AFRICAN REPUBLIC.

As amended and approved of by the Second Volksraad Resolution, Article 1358, August 24th, 1896, and accepted for notice by the Honourable the First Volksraad under Article 1554, September 14th, 1896.

CHAPTER I.

GENERAL PROVISIONS.

1. The right of mining for and disposal of all precious stones and precious metals belongs to the State. *The right of disposal of precious stones, &c., belongs to the State.*

2. This law is applicable to diamonds, rubies, gold, and such other precious stones and precious metals as the State President, with the advice and consent of the Executive Council, with reference to this article of this law, shall make known. *This law applicable to diamonds, &c.*

3. The words "public diggings" shall signify a proclaimed area thrown open by lawful authority for prospecting, digging, and mining. The word "claim" shall signify either that portion of the fields on which a person or persons or companies have obtained a legal right to dig or to prospect, or the right to dig or prospect on such a piece of ground. "Private ground" shall signify the ground belonging to private persons or companies, as shown by the title deed or deed of transfer. *Meaning of "public diggings." Claim. Private ground.*

"Government ground" shall signify all ground belonging to the State. *Government ground.*

The words "coloured person" shall signify every African, Asiatic native, or coloured American person, Coolie or Chinese. *Coloured person.*

"Unwrought gold" or "unwrought precious metal" shall signify gold or precious metal in whatever form, which, although smelted, is not manufactured or made up into any article fit for trade. It includes also raw gold or other precious metal, amalgam, and slimes. *Unwrought gold*

Further, all words shall be understood in the sense in which they are ordinarily used. *Words to be understood in the sense in which they are ordinarily used.*

In the case of *Donovan* vs. *The Turffontein Estate* (decided 16th September, 1895, Off. Rep., Vol. II., part 3, p. 298), the question was whether the plaintiff was entitled to dig for clay for the purpose of making bricks, etc., on a certain piece of ground leased to him by agreement of 12th December, 1891. Article 7 of the agreement of lease gave the lessee the right "tot alle mineralen, edelgesteenten, metalen, of andere delfstoffen, met het recht om daarvoor te prospecteeren en te delven"; that is, "to all minerals, precious stones, metals, or other minerals, with the right to prospect and dig for the same." It was held that the word "delfstoffen" must be taken in its ordinary sense as understood in South Africa, and that clay was not as ordinarily understood a "delfstof," and that therefore the plaintiff was not entitled to dig for clay.

4. The State President shall have power, with the advice and consent of the Executive Council, to take measures for the establishment of a police force, and, further, to take such steps in conformity with this law as he may consider necessary *Establishment of a police force.*

for the general welfare and the good order of the fields. The said police force shall stand under the orders of the official charged with the criminal jurisdiction.

Power of State President to draw up regulations.

5. The State President shall also have power, with the advice and consent of the Executive Council, to make provisions and regulations, whether general or special (for instance, for one or more fields), for the regulation of matters mentioned in this law or connected therewith, provided they are not in conflict with this law, as, for instance, regulations with regard to the method of digging and mining, taking measures for safety, the registration of the quantity of gold won, and such other subjects as shall appear to him to require further regulation, under which may also be included the registration of and the issue of passes to coloured people. Under the provisions and regulations mentioned in this article are also included provisions for penalties and taxes. These provisions and regulations shall have the force of law from the date of publication in the *Staatscourant*; they shall be submitted at the first ensuing session of the Volksraad. Special provisions and regulations shall be of force on every proclaimed field immediately after proclamation in the *Staatscourant*.

Alterations and additions.

The State President shall have the power, with the advice and consent of the Executive Council, to make any alterations in or additions to the said special provisions on the propositions of the Mining Commissioner, in consultation with the Head of the Mining Department.

Such alterations or amendments shall be of force fourteen days after publication in the *Staatscourant*.

Repeal of conflicting laws.

6. All former laws, resolutions of the Volksraad, and regulations with regard to diggings, in conflict with this law, are hereby repealed.

Vested rights not interfered with

The rights obtained to claims under Article 16 of the appendix to Law No. 1 of 1883 shall remain in force under this law.

Expropriation on payment of compensation.

7. Whenever it may be found necessary in the general interest for public purposes, such as for railways, large water-courses, etc., to take away, wholly or in part, rights once granted, the Government shall have the right to do so on compensation to be mutually agreed upon between the interested parties and the Government. In the event of such an agreement being impossible, the amount of compensation shall be fixed by way of arbitration by one or more persons appointed by both sides, with reference to an umpire chosen by the arbitrators and named beforehand, who, if the arbitrators cannot agree on one or more points in dispute, shall decide on such points.

Arbitration.

Right of tunnelling through another's ground in the Kaap diggings

7*a*. The Head of the Mining Department, in conjunction with the State Mining Engineer, shall have the right, when such is necessary for the more adequate exploitation of a mine, to grant permission to tunnel through another's claim or mineral ground, but under the condition always that this tunnelling does not hinder or obstruct the working of such mineral ground; that the obtainer of the right to such tunnelling is answerable for all damage caused thereby; and, further, that all minerals found thereby in the mining ground of others shall be returned free of cost to the possessors, with this understanding, that this article shall only be applicable for the present to the Kaap diggings.

Imprisonment on default of payment of fine.

8. When according to this law a person is sentenced to a money fine, on default of payment this fine shall be replaced by imprisonment. The duration of this imprisonment shall be fixed when judgment is given as far as possible in proportion to the fine inflicted, with this understanding, however, that such imprisonment may not exceed the period of one month in case the fine inflicted amounts to £5 or less, of three months if the fine amounts to from £5 to £20, of six months if the fine amounts

to from £20 to £100, and of one year if the fine amounts to more than £100. It may be stipulated when judgment is given that such imprisonment shall be coupled with hard labour.

CHAPTER II.

Of the Department of Mines.

9. There exists a Department of Mines in this Republic. At the head of this department shall be someone with the title of Head of the Mining Department, who shall at the same time have to possess the qualifications laid down in Article 4, of Law No. 6, of 1890, and is responsible according to the instructions framed by the Honourable Volksraad, in resolutions Articles 939-944, 946 and 947, dated 9th and 10th July, 1888.

Head of the mining department. Qualifications of.

The Head of the Mining Department shall be assisted by a properly qualified expert, to be appointed by the Government after consultation with the Head of the Mining Department, with the title of State Mining Engineer, whose duty it shall be in every district, to make investigations concerning, and to report fully upon, the minerals there present, and, further, to give advice and be of assistance to the Government, in all matters relating to mines and the development of the mineral resources of this land, under such regulations as the Government, subject to the later confirmation of the people's representatives, may determine.

State Mining Engineer. Duties of.

The State Mining Engineer shall be assisted by Mining Inspectors and Boiler Inspectors on the diggings.

Mining Inspector and Boiler Inspectors.

10. The Government has the right, from time to time, to appoint one or more commissions of trustworthy and competent persons to investigate any question relating to mines, and to report to it thereon.

Commissions — appointment of.

11. For each prospecting and proclaimed field, a competent person shall be appointed, if necessary, by the Government, as Mining Commissioner, whose salary shall be fixed by the Executive Council, until later resolution thereanent by the First Volksraad. The Government shall, moreover, have the right to appoint, if necessary, for every prospecting or proclaimed field, a special judical official, with the title of Special Landdrost, with criminal and civil jurisdiction equal to that of the Landdrost.

Mining Commissioner. Salary. Special Landdrost — jurisdiction of.

On the appointment of such judical official, the boundaries within which he shall have jurisdiction shall have to be accurately defined by the Government. Within these boundaries the Landdrost of the respective district shall no longer have criminal and civil jurisdiction.

Limits of jurisdiction. Landdrost has no civil or criminal jurisdiction within these limits.

In the exercise of jurisdiction by this Special Landdrost, the Laws and customs in use in Landdrost Courts shall be applied. The same rules shall also apply with regard to appeals to a higher court. This Special Landdrost shall have, within the boundaries of the field over which he has jurisdiction, the same powers with regard to marriages as are given to a Landdrost by the Marriage Ordinance. The Government shall also have the right to appoint, besides the Special Landdrost, other judical officials with the jurisdiction of a Landdrost in criminal and civil cases, and power to hold preliminary examinations, and further to lay down instructions for such officials. With regard to the salary of these officials, the same regulations as above-mentioned shall apply.

Laws and customs applicable. Appeals. Powers with regard to marriages. Other judicial officials. Salary.

Mining Commissioner's clerk.

12. The Mining Commissioner shall be given a clerk, who, if there be no Special Landdrost, shall also be Public Prosecutor and Registrar of the Lower Court.

Further clerks.

13. If required, the Government shall assign one or more clerks to the department of the Mining Commissioner.

Claim Inspectors

14. The Government has the power, if necessary, to appoint for every field one or more Claim Inspectors, and to make such regulations with regard to their duties as it may consider necessary.

With regard to the salary of all the above-mentioned officials, the same provision as that in the first paragraph of Article 11 applies.

Powers of Mining Commissioner.

15. The Mining Commissioner shall have the supervision of the field, or fields, over which he is appointed. He shall also be clothed with authority to regulate and direct all matters relative to the diggings in accordance with this law, and all regulations which may by virtue of this law be published by the Government.

He will also have regard to the grievances of the diggers, and do all that may be conducive to the general interest, to the promotion of the prosperity of the diggings and the sanitary condition of their population, he shall define the places where no digging or prospecting may be carried on, the keeping open of roadways, under which are also included roads, or paths from the claims to the batteries and places suitable for waterrights, and such other places concerning which the Government may give instructions from time to time. He shall regulate the issue of stand licences, and define the places which may or may not be built on.

As to where digging may not be carried on.

Where more than five stands adjoin.

Where, however, more than five stands would adjoin or be near each other, he must first, through the Head of the Mining Department, obtain the consent of the Government, before issuing licences for stands in excess of that number.

Collection of personal taxes.

The Government shall have the power to depute to him, or another person under him, the collection of personal taxes within the boundaries of his field, under such regulations as the Government, after consultation with the Head of the Mining Department, shall deem necessary to make. If no Special Landdrost has been appointed, he shall have criminal and civil jurisdiction equal to that of the Landdrost.

Jurisdiction.

Ex officio Justice of the Peace.

He shall, *ex-officio*, be a Justice of the Peace for the whole Republic.

Laws and customs applicable.

With regard to the exercise of civil and criminal jurisdiction by the Mining Commissioner, the laws and customs in use in Landdrost Courts shall be applied.

Appeal.

The same rules shall also apply with regard to appeal to a Higher Court.

Powers with regard to marriages.

If no Special Landdrost has been appointed the Mining Commissioner, within the boundaries of the field over which he is appointed, shall have the same powers with regard to marriages as are granted to a Landdrost by the Marriage Ordinance.

Article 28 of Law 18 of 1892 does not give the Mining Commissioner of Johannesburg the right to refuse to issue licences to peg off claims on portion of a proclaimed area within his jurisdiction on the ground that he wished to reserve the said ground for stands in view of the probable extension of Johannesburg.—*J. Nicolls* vs. *W. J. Leyds, N.O., C.L.J., vol. X. p.* 337; decided 13 July, 1893, *coram* Kotzé, C.J., De Korte and Ameshoff, J.J.

Article 28 of Law 18 of 1892 confers on the Mining Commissioner the power to reserve what he considers the most suitable portions of a farm, about to be proclaimed a public gold-fields, for the purposes of water-rights, and to refuse to allow any pegging on such portions.

The Court will not interfere with the discretion of the Mining Commissioner when he acts *bona fide* and does not exceed the powers conferred on him by law. *Kempin* vs. *The Modderfontein G.M. Coy., Ltd., and the Mining Commissioner of Boksburg.* C.L.J. vol. xii; p. 153 decided 2 December 1895, *coram* Kotzé, C.J., and Jorissen, J.

(a) In Kempin's case the Court read the words "en op plekkin geschikt voor waterrechten" as though the word "op" did not appear, the chief justice saying "we should place too narrow an interpretation on the words of the article if we construed it as simply and solely referring to roads over places suitable for water-rights, and not as conferring on the Mining Commissioner the power to decide what portions of the farm are most suitable for water-rights, and then to define these water-rights accordingly." The Court also pointed out the distinction between *Kempin's* case and *Nicolls's* case. The word "op" is left out in Article 15 of this law.

With regard to Article 28 see further the remarks of Kotzé, C.J., on pages 81 and 82 of the C.L.J. vol. x. in the case of *The Witwatersrand G.M. Coy. Ltd.* vs. *R. Young*, decided 12 January, 1893, *coram* Kotzé, C.J. and De Korte and Morice, J.J. It was there held that, where the plaintiffs with the knowledge and tacit consent of the Government had for four years occupied a portion of ground proclaimed a public gold-diggings, outside but in the vicinity of their "mijnpacht," and had erected buildings thereon, and laid a tramway for the better working of their mine and battery, such portion of ground was not open ground, and no third party was entitled to peg off the portion of ground so occupied, under prospectors' licences, or otherwise interfere with plaintiffs' occupation.

Article 15 of Law 19 of 1895 corresponds with Article 15 of this Law.

Cf. also *Ginsberg* vs. *The Gauf Syndicate and the Mining Commissioner of Boksburg* (C.L.J. August 1896) given in Appendix C.

Limits of Mining Commissioner's jurisdiction.

16. The grounds reserved, according to Article 54, for houses, buildings, water-furrows, gardens or lands, as also those under Article 28 for "mijnpachten," and further all pieces of ground which are wholly enclosed by a public digging or prospecting field, shall be under the jurisdiction of the Mining Commissioner, or, if there be such, of the special judicial officials of that digging or prospecting field. The Government shall also have the right, by proclamation, to bring under the jurisdiction of the officials on the public diggings, farms or portions of ground adjoining such public diggings or situated in the neighbourhood thereof.

Legal practitioners.

Licences of.

Anybody may appear in person.

Bills of costs.

17. All admitted advocates, attorneys, notaries, agents, conveyancers, and sworn translators, who, according to the law of the land, are entitled to practise in the civil courts of the land and to carry out their profession, shall be allowed to practise on the fields. The tariff of licences required to enable the carrying out of one of these professions on the fields shall be according to established ordinances. No unadmitted and unlicensed person shall have the right to conduct cases in any court for others or to carry on the business falling under the professions of the aforementioned practitioners. It shall however be free to any person, should he so desire, to conduct his case in person before a court on the fields or to transfer in person any stand, claim or any portion thereof, as otherwise being his lawful property. He shall, however, not have the right to draw up bills of costs of the defence of his case or to claim costs for any deed of cession, transfer or otherwise, except for witnesses' expenses, court fees, summons or stamp dues.

Appeal from Mining Commissioner or Special Landdrost.

18. From the decision of the Mining Commissioner or of the Special Landdrost, if there be such, there shall be an appeal to the Circuit Court, the judge sitting *in Camera* at Pretoria, or the High Court.

Registers to be kept by Mining Commissioners

19. The Mining Commissioners shall be obliged to keep proper books of all revenue and expenditure. He shall also keep proper registers of all licences and rights granted by him to persons or companies and such other registers as the head of the Mining Department may from time to time prescribe.

Inspection of Registers.

Inspection of these registers shall be granted to the public, but it must be previously stated by the parties interested whereof information is required. For simple inspection the sum of 1s. 6d. shall be paid for each inspection. For written information the sum of 5s. in each instance must be paid, consisting of stamps, which must be attached to the document and cancelled.

57. This Act comes into operation on the 1st of January, 1897.

The following Articles retain force of law in accordance with a resolution of the Second Volksraad:—Article 875, dated 22nd July, 1896; Article 4, letter *d*; Article 7, letter *d*; and Article 34a.

(Signed) S. J. P. KRUGER,

State President.

DR. W. J. LEYDS,

State Secretary.

Government Office,
Pretoria, 17th August, 1896.

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XVI.

THE GOLD LAW.

(S. H. BARBER'S EDITION.)

LAW No. 21 of 1896.

DIFFERENT GOLD LAWS.

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„ 7 of 1874.
„ 6 of 1875.
„ 8 of 1885.
MODIFICATION OF LAW 8 of 1885 (29th July, 1886).
APPENDIX TO LAW 8 of 1885 (7th March, 1887).
LAW 10 of 1887.
„ 9 of 1888.
„ 8 of 1889.
„ 8 of 1890.
„ 10 of 1891.
„ 18 of 1892.
„ 14 of 1894.
„ 19 of 1895.
„ 21 of 1896.

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LAW NO. 21 OF 1896,

ON THE DIGGING FOR AND DEALING IN PRECIOUS METALS AND PRECIOUS STONES WITHIN THE SOUTH AFRICAN REPUBLIC.

As amended and approved of by the Second Volksraad Resolution, Article 1358, August 24th, 1896, and accepted for notice by the Honourable the First Volksraad under Article 1554, September 14th, 1896.

CHAPTER I.

GENERAL PROVISIONS.

1. The right of mining for and disposal of all precious stones and precious metals belongs to the State.

The right of disposal of precious stones, &c., belongs to the State.

2. This law is applicable to diamonds, rubies, gold, and such other precious stones and precious metals as the State President, with the advice and consent of the Executive Council, with reference to this article of this law, shall make known.

This law applicable to diamonds, &c.

3. The words "public diggings" shall signify a proclaimed area thrown open by lawful authority for prospecting, digging, and mining. The word "claim" shall signify either that portion of the fields on which a person or persons or companies have obtained a legal right to dig or to prospect, or the right to dig or prospect on such a piece of ground. "Private ground" shall signify the ground belonging to private persons or companies, as shown by the title deed or deed of transfer.

Meaning of "public diggings."

Claim.

Private ground.

"Government ground" shall signify all ground belonging to the State.

Government ground.

The words "coloured person" shall signify every African, Asiatic native, or coloured American person, Coolie or Chinese.

Coloured person.

"Unwrought gold" or "unwrought precious metal" shall signify gold or precious metal in whatever form, which, although smelted, is not manufactured or made up into any article fit for trade. It includes also raw gold or other precious metal, amalgam, and slimes.

Unwrought gold

Further, all words shall be understood in the sense in which they are ordinarily used.

Words to be understood in the sense in which they are ordinarily used.

In the case of *Donovan* vs. *The Turffontein Estate* (decided 16th September, 1895, Off. Rep., Vol. II., part 3, p. 298), the question was whether the plaintiff was entitled to dig for clay for the purpose of making bricks, etc., on a certain piece of ground leased to him by agreement of 12th December, 1891. Article 7 of the agreement of lease gave the lessee the right "tot alle mineralen, edelgesteenten, metalen, of andere delfstoffen, met het recht om daarvoor te prospecteeren en te delven"; that is, "to all minerals, precious stones, metals, or other minerals, with the right to prospect and dig for the same." It was held that the word "delfstoffen" must be taken in its ordinary sense as understood in South Africa, and that clay was not as ordinarily understood a "delfstof," and that therefore the plaintiff was not entitled to dig for clay.

4. The State President shall have power, with the advice and consent of the Executive Council, to take measures for the establishment of a police force, and, further, to take such steps in conformity with this law as he may consider necessary

Establishment of a police force.

for the general welfare and the good order of the fields. The said police force shall stand under the orders of the official charged with the criminal jurisdiction.

Power of State President to draw up regulations.

5. The State President shall also have power, with the advice and consent of the Executive Council, to make provisions and regulations, whether general or special (for instance, for one or more fields), for the regulation of matters mentioned in this law or connected therewith, provided they are not in conflict with this law, as, for instance, regulations with regard to the method of digging and mining, taking measures for safety, the registration of the quantity of gold won, and such other subjects as shall appear to him to require further regulation, under which may also be included the registration of and the issue of passes to coloured people. Under the provisions and regulations mentioned in this article are also included provisions for penalties and taxes. These provisions and regulations shall have the force of law from the date of publication in the *Staatscourant*; they shall be submitted at the first ensuing session of the Volksraad. Special provisions and regulations shall be of force on every proclaimed field immediately after proclamation in the *Staatscourant*.

Alterations and additions.

The State President shall have the power, with the advice and consent of the Executive Council, to make any alterations in or additions to the said special provisions on the propositions of the Mining Commissioner, in consultation with the Head of the Mining Department.

Such alterations or amendments shall be of force fourteen days after publication in the *Staatscourant*.

Repeal of conflicting laws.

6. All former laws, resolutions of the Volksraad, and regulations with regard to diggings, in conflict with this law, are hereby repealed.

Vested rights not interfered with

The rights obtained to claims under Article 16 of the appendix to Law No. 1 of 1883 shall remain in force under this law.

Expropriation on payment of compensation.

7. Whenever it may be found necessary in the general interest for public purposes, such as for railways, large water-courses, etc., to take away, wholly or in part, rights once granted, the Government shall have the right to do so on compensation to be mutually agreed upon between the interested parties and the Government. In the event of such an agreement being impossible, the amount of compensation shall be fixed by way of arbitration by one or more persons appointed by both sides, with reference to an umpire chosen by the arbitrators and named beforehand, who, if the arbitrators cannot agree on one or more points in dispute, shall decide on such points.

Arbitration.

Right of tunnelling through another's ground in the Kaap diggings

7*a*. The Head of the Mining Department, in conjunction with the State Mining Engineer, shall have the right, when such is necessary for the more adequate exploitation of a mine, to grant permission to tunnel through another's claim or mineral ground, but under the condition always that this tunnelling does not hinder or obstruct the working of such mineral ground; that the obtainer of the right to such tunnelling is answerable for all damage caused thereby; and, further, that all minerals found thereby in the mining ground of others shall be returned free of cost to the possessors, with this understanding, that this article shall only be applicable for the present to the Kaap diggings.

Imprisonment on default of payment of fine.

8. When according to this law a person is sentenced to a money fine, on default of payment this fine shall be replaced by imprisonment. The duration of this imprisonment shall be fixed when judgment is given as far as possible in proportion to the fine inflicted, with this understanding, however, that such imprisonment may not exceed the period of one month in case the fine inflicted amounts to £5 or less, of three months if the fine amounts to from £5 to £20, of six months if the fine amounts

to from £20 to £100, and of one year if the fine amounts to more than £100. It may be stipulated when judgment is given that such imprisonment shall be coupled with hard labour.

CHAPTER II.

Of the Department of Mines.

9. There exists a Department of Mines in this Republic. At the head of this department shall be someone with the title of Head of the Mining Department, who shall at the same time have to possess the qualifications laid down in Article 4, of Law No. 6, of 1890, and is responsible according to the instructions framed by the Honourable Volksraad, in resolutions Articles 939-944, 946 and 947, dated 9th and 10th July, 1888.

Head of the mining department. Qualifications of.

The Head of the Mining Department shall be assisted by a properly qualified expert, to be appointed by the Government after consultation with the Head of the Mining Department, with the title of State Mining Engineer, whose duty it shall be in every district, to make investigations concerning, and to report fully upon, the minerals there present, and, further, to give advice and be of assistance to the Government, in all matters relating to mines and the development of the mineral resources of this land, under such regulations as the Government, subject to the later confirmation of the people's representatives, may determine.

State Mining Engineer. Duties of.

The State Mining Engineer shall be assisted by Mining Inspectors and Boiler Inspectors on the diggings.

Mining Inspector and Boiler Inspectors.

10. The Government has the right, from time to time, to appoint one or more commissions of trustworthy and competent persons to investigate any question relating to mines, and to report to it thereon.

Commissions — appointment of.

11. For each prospecting and proclaimed field, a competent person shall be appointed, if necessary, by the Government, as Mining Commissioner, whose salary shall be fixed by the Executive Council, until later resolution thereanent by the First Volksraad. The Government shall, moreover, have the right to appoint, if necessary, for every prospecting or proclaimed field, a special judical official, with the title of Special Landdrost, with criminal and civil jurisdiction equal to that of the Landdrost.

Mining Commissioner. Salary. Special Landdrost — jurisdiction of.

On the appointment of such judical official, the boundaries within which he shall have jurisdiction shall have to be accurately defined by the Government. Within these boundaries the Landdrost of the respective district shall no longer have criminal and civil jurisdiction.

Limits of jurisdiction. Landdrost has no civil or criminal jurisdiction within these limits.

In the exercise of jurisdiction by this Special Landdrost, the Laws and customs in use in Landdrost Courts shall be applied. The same rules shall also apply with regard to appeals to a higher court. This Special Landdrost shall have, within the boundaries of the field over which he has jurisdiction, the same powers with regard to marriages as are given to a Landdrost by the Marriage Ordinance. The Government shall also have the right to appoint, besides the Special Landdrost, other judical officials with the jurisdiction of a Landdrost in criminal and civil cases, and power to hold preliminary examinations, and further to lay down instructions for such officials. With regard to the salary of these officials, the same regulations as above-mentioned shall apply.

Laws and customs applicable. Appeals. Powers with regard to marriages. Other judicial officials. Salary.

Mining Commissioner's clerk.

12. The Mining Commissioner shall be given a clerk, who, if there be no Special Landdrost, shall also be Public Prosecutor and Registrar of the Lower Court.

Further clerks.

13. If required, the Government shall assign one or more clerks to the department of the Mining Commissioner.

Claim Inspectors

14. The Government has the power, if necessary, to appoint for every field one or more Claim Inspectors, and to make such regulations with regard to their duties as it may consider necessary.

With regard to the salary of all the above-mentioned officials, the same provision as that in the first paragraph of Article 11 applies.

Powers of Mining Commissioner.

15. The Mining Commissioner shall have the supervision of the field, or fields, over which he is appointed. He shall also be clothed with authority to regulate and direct all matters relative to the diggings in accordance with this law, and all regulations which may by virtue of this law be published by the Government.

He will also have regard to the grievances of the diggers, and do all that may be conducive to the general interest, to the promotion of the prosperity of the diggings and the sanitary condition of their population, he shall define the places where no digging or prospecting may be carried on, the keeping open of roadways, under which are also included roads, or paths from the claims to the batteries and places suitable for waterrights, and such other places concerning which the Government may give instructions from time to time. He shall regulate the issue of stand licences, and define the places which may or may not be built on.

As to where digging may not be carried on.

Where more than five stands adjoin.

Where, however, more than five stands would adjoin or be near each other, he must first, through the Head of the Mining Department, obtain the consent of the Government, before issuing licences for stands in excess of that number.

Collection of personal taxes.

The Government shall have the power to depute to him, or another person under him, the collection of personal taxes within the boundaries of his field, under such regulations as the Government, after consultation with the Head of the Mining Department, shall deem necessary to make. If no Special Landdrost has been appointed, he shall have criminal and civil jurisdiction equal to that of the Landdrost.

Jurisdiction.

Ex officio Justice of the Peace.

He shall, *ex-officio*, be a Justice of the Peace for the whole Republic.

Laws and customs applicable.

With regard to the exercise of civil and criminal jurisdiction by the Mining Commissioner, the laws and customs in use in Landdrost Courts shall be applied.

Appeal.

The same rules shall also apply with regard to appeal to a Higher Court.

Powers with regard to marriages.

If no Special Landdrost has been appointed the Mining Commissioner, within the boundaries of the field over which he is appointed, shall have the same powers with regard to marriages as are granted to a Landdrost by the Marriage Ordinance.

Article 28 of Law 18 of 1892 does not give the Mining Commissioner of Johannesburg the right to refuse to issue licences to peg off claims on portion of a proclaimed area within his jurisdiction on the ground that he wished to reserve the said ground for stands in view of the probable extension of Johannesburg.—*J. Nicolls* vs. *W. J. Leyds, N.O., C.L.J., vol. X. p.* 337; decided 13 July, 1893, *coram* Kotzé, C.J., De Korte and Ameshoff, J.J.

Article 28 of Law 18 of 1892 confers on the Mining Commissioner the power to reserve what he considers the most suitable portions of a farm, about to be proclaimed a public gold-fields, for the purposes of water-rights, and to refuse to allow any pegging on such portions.

The Court will not interfere with the discretion of the Mining Commissioner when he acts *bona fide* and does not exceed the powers conferred on him by law. *Kempin* vs. *The Modderfontein G.M. Coy., Ltd., and the Mining Commissioner of Boksburg.* C.L.J. vol. xii; p. 153 decided 2 December 1895, *coram* Kotzé, C.J., and Jorissen, J.

(a) In Kempin's case the Court read the words "en op plekkin geschikt voor waterrechten" as though the word "op" did not appear, the chief justice saying "we should place too narrow an interpretation on the words of the article if we construed it as simply and solely referring to roads over places suitable for water-rights, and not as conferring on the Mining Commissioner the power to decide what portions of the farm are most suitable for water-rights, and then to define these water-rights accordingly." The Court also pointed out the distinction between *Kempin's* case and *Nicolls's* case. The word "op" is left out in Article 15 of this law.

With regard to Article 28 see further the remarks of Kotzé, C.J., on pages 81 and 82 of the C.L.J. vol. x. in the case of *The Witwatersrand G.M. Coy. Ltd.* vs. *R. Young*, decided 12 January, 1893, *coram* Kotzé, C.J. and De Korte and Morice, J.J. It was there held that, where the plaintiffs with the knowledge and tacit consent of the Government had for four years occupied a portion of ground proclaimed a public gold-diggings, outside but in the vicinity of their "mijnpacht," and had erected buildings thereon, and laid a tramway for the better working of their mine and battery, such portion of ground was not open ground, and no third party was entitled to peg off the portion of ground so occupied, under prospectors' licences, or otherwise interfere with plaintiffs' occupation.

Article 15 of Law 19 of 1895 corresponds with Article 15 of this Law.

Cf. also *Ginsberg* vs. *The Gauf Syndicate and the Mining Commissioner of Boksburg* (C.L.J. August 1896) given in Appendix C.

Limits of Mining Commissioner's jurisdiction.

16. The grounds reserved, according to Article 54, for houses, buildings, water-furrows, gardens or lands, as also those under Article 28 for "mijnpachten," and further all pieces of ground which are wholly enclosed by a public digging or prospecting field, shall be under the jurisdiction of the Mining Commissioner, or, if there be such, of the special judicial officials of that digging or prospecting field. The Government shall also have the right, by proclamation, to bring under the jurisdiction of the officials on the public diggings, farms or portions of ground adjoining such public diggings or situated in the neighbourhood thereof.

Legal practitioners.

Licences of.

Anybody may appear in person.

Bills of costs.

17. All admitted advocates, attorneys, notaries, agents, conveyancers, and sworn translators, who, according to the law of the land, are entitled to practise in the civil courts of the land and to carry out their profession, shall be allowed to practise on the fields. The tariff of licences required to enable the carrying out of one of these professions on the fields shall be according to established ordinances. No unadmitted and unlicensed person shall have the right to conduct cases in any court for others or to carry on the business falling under the professions of the aforementioned practitioners. It shall however be free to any person, should he so desire, to conduct his case in person before a court on the fields or to transfer in person any stand, claim or any portion thereof, as otherwise being his lawful property. He shall, however, not have the right to draw up bills of costs of the defence of his case or to claim costs for any deed of cession, transfer or otherwise, except for witnesses' expenses, court fees, summons or stamp dues.

Appeal from Mining Commissioner or Special Landdrost.

18. From the decision of the Mining Commissioner or of the Special Landdrost, if there be such, there shall be an appeal to the Circuit Court, the judge sitting *in Camera* at Pretoria, or the High Court.

Registers to be kept by Mining Commissioners

19. The Mining Commissioners shall be obliged to keep proper books of all revenue and expenditure. He shall also keep proper registers of all licences and rights granted by him to persons or companies and such other registers as the head of the Mining Department may from time to time prescribe.

Inspection of Registers.

Inspection of these registers shall be granted to the public, but it must be previously stated by the parties interested whereof information is required. For simple inspection the sum of 1s. 6d. shall be paid for each inspection. For written information the sum of 5s. in each instance must be paid, consisting of stamps, which must be attached to the document and cancelled.

Monthly statements to Treasurer-General.

20. The Mining Commissioners shall further be bound to send their statements monthly to the Treasurer-General, and to pay in monthly into his office the public moneys in their possession.

Responsible clerks.

21. The Government, after consultation with the head of the Mining Department, shall, on such fields as it may deem desirable and necessary, appoint one or more of the clerks of the Mining Department as responsible clerk or clerks.

Assignment of stands to.

The Government, after consultation with the head of the Mining Department, shall have the right to assign to such responsible clerks, separate stands on different portions of the proclaimed field. The responsibility of the Mining Commissioner is not removed by the responsibility of such a clerk serving in the head office of the Mining Commissioner himself.

Responsibility of Mining Commissioner.

Powers of responsible clerks

A responsible clerk may issue all licences falling under his division; he may also receive transfer dues (*a*) auction dues, fines, market fees, rents and other special revenue; he may also do such other work as may be given to him from time to time by the Mining Commissioner.

Issue of licences.

Licences signed and issued by such a clerk shall confer the same rights as if they had been signed and issued by the Mining Commissioner himself.

Registers to be kept by responsible clerks

Monthly statements.

Responsible clerks having their own division, shall be obliged to keep proper registers of all licences issued by them, and shall as soon as possible deposit with the Mining Commissioner all moneys received by them, and within four days after the end of each month send in their reports and monthly statements to the Mining Commissioner.

May be invested with powers of Justice of the Peace.

The Government shall have the power to invest such a responsible clerk with the powers and jurisdiction of a Resident Justice of the Peace within such limits as the Government shall determine.

(*a*) Transfer dues on transfer of claims paid through mistake of *law* cannot be recovered. *Rooth q.q. vs. The State*, decided 2 October, 1888, *coram* Kotzé, C. J., and Esselen and De Korte, J. J. C.L.J., vol. v., p. 304. Under Law 8, of 1885, there was no transfer duty payable on the transfer of claims. It was introduced by Law 9, of 1888, § 33. In the case of *Dell vs. The State*, decided prior to the passing of Law 9, of 1888, it was held that the transfer of claims was not subject to the payment of transfer dues.

Duties of Mining Commissioner and responsible clerk.

22. Strict attention shall be paid to the following by the Mining Commissioner and responsible clerks:—

Licences to be taken out.

(*a*) That no one shall carry on any calling or trade, or shall dig or prospect without a proper licence.

Proper records to be kept of all cases.

(*b*) That their clerk or clerks keep proper records and minutes of all cases dealt with or decided in their Court, and that their subaltern and subordinate officials fulfil their duties and render account of everything deputed to them or of monies entrusted to them.

Care of Government buildings

(*c*) That all Government offices, buildings and gaols, tents, goods, etc., etc., are kept in good order.

Import duties—collection of.

(*d*) That all import duties according to tariff on goods imported from abroad, and on which no duty has yet been paid, are carefully collected.

Stamp and transfer duties — payment of.

(*e*) That the stamp duties and transfer duties due to the Government on all transfers of claims (*a*) and stands are properly paid.

Fees — payment of to State.

(*f*) That all fees or other monies payable to the State in pursuance of this law or later laws and regulations are promptly paid and that all official documents are subject to stamp duty.

Fines and court fees—payment of.

(*g*) All fines and Court fees received at the office of the special Landdrosts, must be paid monthly to the Mining Commissioners, together with a specified statement of the persons fined.

(a) The Paarl Ophir G.M. Coy. ceded three claims to the Pioneer G.M. Coy. The latter company employed one Gutman as agent to receive transfer of the claims. The transfer was in Gutman's name. He then fraudulently transferred to Graham. It was held that the transfer in the first instance was to Gutman *as agent*, and that therefore neither he nor Graham had any title, but that the claims belonged to the Pioneer G.M. Coy.

The Pioneer G.M. Coy., Limited and the Paarl Ophir G.M. Coy., Limited vs. *Gutman and Graham.*

Oath to be taken by Mining Commissioner.

23. The Mining Commissioner shall take the same oath as the Landdrost. All officials, on whatever diggings appointed, shall be duly sworn on taking office.

Officials prohibited from holding claims, &c.

24. The head of the Mining Department and the officials of his department, as also Special Landdrosts and Assistant Landdrosts, Judicial Commissioners and the officials of their department on a prospecting and proclaimed field, are not permitted, directly or indirectly, to hold claims, to carry on any business, to conduct any kind of agency whatever, or to have any share in a mining company, or in any syndicate or partnership relating to mining matters. Landdrosts, head officials, and their subordinates are also prohibited from being connected with a mining company as directors, advisers, controllers or as officials. Should it be discovered that the above-mentioned officials are guilty of contravening the provisions contained in this Article they may be, according to the nature of the case, suspended from office by the Government for a certain time or dismissed.

Where plaintiff had sued defendants on a contract relating to certain gold claims, and an exception taken by them to the summons on the ground that plaintiff being State Mining Engineer, was disqualified by Article 29 of Law 18 of 1892 from suing on such a contract, was upheld by the Court, and plaintiff then petitioned the Volksraad, which, while accepting the decision of the Court, removed the disability for the purposes of this particular action, by passing a resolution granting him dispensation from the provisions of the said Article 29:—Held, that it was competent for the Volksraad to pass such a resolution, and that, provided it was in order, the Court was bound to give effect to it; Held, further, that the merits of the case had not been touched upon in the first exception, and plaintiff could therefore institute the action afresh now that the disability had been removed.

Joseph Klimke vs. *Ludwig Pogge, Frans Zboril and Herman Seelig; C.L.J. Vol. XI., p. 65*, decided 13 Nov., 1893, *coram* Kotzé, C.J., and Jorissen and Morice, J.J.

Article 29 of Law 18 of 1892 corresponds with Article 24 of this Law.

The resolution of the Volksraad referred to is First Volksraad Besluit of the 8th of August, 1893, Article 1,029.

CHAPTER III.

Concerning Searching, Digging, and Mining.

Section 1. Prospecting by, or with permission of, the owner.

Right of owner to prospect on his own property without licence.

25. It shall be free to every landowner (after having given notice of his intention to the Landdrost of his district or to the nearest Mining Commissioner or Responsible Clerk) to search for precious stones and precious metals within the boundaries of his property without a licence, and to employ for that purpose, besides coloured persons, not more than four white persons drawing wages, and to exploit mines on his ground or cause the same to be exploited under the conditions hereinafter described. No one, except the State President, with the advice and consent of the Executive Council, shall be allowed to throw open his ground to the public as public diggings. The Government shall always have the right to cause an investigation to be made of the prospecting.

Only the State President, with advice of Executive Council, can throw open property.

Notice of discovery of precious metals within 7 days.

On the discovery of precious metals and precious stones on private ground, the owner shall be obliged to give notice thereof, within seven days after the discovery, to the nearest Mining Commissioner, Responsible Clerk, or Landdrost, as also of the particulars thereof, under penalty of a fine not exceeding £5 on neglecting to do so.

Written permission from owner to prospect under licence.

26. Anyone having written permission from the owner of a private farm or piece of ground to search on his property shall be able to obtain the necessary prospecting licence, on payment of the licence money, from the Landdrost of the district where he desires to search, or from such other officials as shall be appointed by the Government, for the period mentioned in such written permission, not exceeding a period of six months.

For 6 months.

May be extended for another period of 6 months.

When, however, the said permission is granted for a longer term than six months, the Landdrost or such other official as shall be appointed by the Government shall, after the expiration of the first six months, have the right, after proper investigation, to extend the term for which the licence was granted in accordance with the permission, as long as such extension does not exceed a further period of six months.

Where the Modderfontein G. M. Coy. granted "vergunnigen" to a certain Dettalbach to peg off 1,110 claims on the farm Modderfontein, on the understanding that the said claims were to belong to the Company, and not to Dettelbach, and the Mining Commissioner of Boksburg, on the strength of the "vergunningen" granted to Dettelbach, issued licences for 1,110 claims to the representative of the Company before issuing licences to the plaintiff Gauf, notwithstanding that the latter had been the first to apply for 110 licences on the morning of proclamation, and the Mining Commissioner subsequently refused to renew the licences for the 110 claims claimed by Gauf on the ground that these 110 claims were included in the 1,110 claims pegged off by the Company, Held (De Korte, J., diss.), in an action by the plaintiff Gauf to have the 110 claims declared his property, that he was entitled to succeed.

The owner of a farm is entitled to certain defined rights as owner under the Gold Law, and he cannot grant "vergunningen" to a mere "dummy" to peg off claims on the understanding that such claims shall belong to him and not to the "dummy," as this is a way of getting possession, by indirect means, of a greater number of claims than he would be entitled to directly as owner, and is therefore *in fraudem* of the Gold Law. *Gauf* vs. *The Modderfontein G. M. Coy. Ltd. and the Mining Commissioner of Boksburg. C.L.J. vol. xii. p.* 217; decided 12th January, 1895, *coram* Kotzé, C.J. and De Korte and Ameshoff, J.J.

Article 8 of Law 18 of 1892 corresponds with Article 26 of this Law.

The plaintiffs obtained leave to prospect on the unproclaimed farm Rhenosterspruit from the owners, and pegged off 62 claims. The defendants got the right to prospect on the claims, and undertook to pay the monthly licence moneys for six months. They found no payable quartz, and ceased to pay licence money, in consequence of which the claims lapsed to the owners. The plaintiffs instituted an action for damages. The Court found it very difficult to assess the damages, seeing that the claims were of very little value, and eventually awarded £37 4s. to the plaintiffs, this being 12s. per claim for the 62 claims for one month. *Stow and others* vs. *Chester and Gibb*, decided on the 17th February, 1890, *coram* Kotzé, C.J. and Esselen and De Korte, J.J. (unreported).

The plaintiff, on the 27th of June, 1894, the day when the farm Modderfontein was proclaimed a public goldfields, pegged off one claim on the aforesaid farm under prospector's licence, and the defendant Company, the owner of the farm, also pegged off the same claim on the same day under prospector's licence; but the Company obtained its licence before the plaintiff obtained his, on account of the fact that it was the holder of "vergunningen" granted *in fraudem legis* to its "dummy," a certain Dettalbach. Held,—on the authority of *Gauf* vs. *The Modderfontein G. M. Coy.*, that the plaintiff was entitled to the claim in dispute as against the defendant Company. The plaintiff, on the 6th of December, 1894, also pegged off 71 claims, and on the 3rd January, 1895, 150 claims under prospector's licences on the same farm. These claims had previously, on the 27th of June, 1894, been pegged off by the defendant Company in the same way as the one claim above-mentioned. Held,—that the defendant Company was entitled to these claims on the ground that the "vergunningen" had expired long before the date of the plaintiff's pegging, at which date the claims in dispute were being held by the Company under ordinary prospector's licences which had already been renewed several times, and on the ground that the plaintiff was aware that the said claims were being held by the Company.

Held, further, that there is nothing in the Gold Law to prevent an owner of a proclaimed farm from pegging off claims on such farm as an ordinary member of the public, notwithstanding the fact that he is entitled to certain privileges in his capacity as owner of the farm.

Held, further, that a Company can lawfully employ a representative to peg off claims for it, notwithstanding the personal nature of Article 61 (c) of Law 18 of 1892, seeing that there is no direct prohibition of such action in the Gold Law. *Frische* vs. *The Modderfontein G. M. Coy. Ltd. and the Mining Commissioner of Boksburg.* C.L.J., Vol. xiii., p. 76, decided 2nd of December, 1895, *coram* Kotzé, C.J. and Jorissen J.

Article 61 (c) of Law 18 of 1892 speaks of "every white *person*," as also does Article 61 of Law 18 of 1892. *Cf.* Article 63 of this Law.

Section 2. Judgment as to Payableness.

27. The State Mining Engineer, or such other experts nominated by him, delegated by the head of the Mining Department, either separately or as a commission, shall be the competent judges of the payableness of precious metals or precious stones. State Mining Engineer judge of payableness.

Section 3. Exploitation under "Mijnpacht" or Concession.

28. The owner of a farm or piece of ground on which precious metals or precious stones have been found by the owner himself, or, in accordance with Article 26, by a prospector, who desires to possess the right to open and exploit mines on such farm or piece of ground, must be in possession of a "mijnpachtbrief," to be obtained from the Government. Of the private grounds or farms published for setting open for a public digging, the "mijnpachtbrief" must be issued for one-tenth portion of the area of that farm or piece of ground. Owner may obtain mijnpacht-brief. Extent of ground under mijnpacht-brief.

In the measuring of ground for "mijnpachtbrieven," the reef may not be taken in its length only, but the proportion of its breadth to length must be at the most as one to two. Ground for mijnpacht—how to be measured.

In no case shall the Government have the right to refuse a "mijnpacht," even if the Government should decide not to proclaim the ground as a public diggings or prospecting field. Government cannot refuse mijnpacht.

Where, in accordance with Article 54, homestead grounds are reserved by the owner before the proclamation of the farm, he shall be entitled to a "mijnpacht" on such grounds, and over the whole surface thereof. Mijnpacht on homestead grounds.

The Government shall not have the right to refuse such "mijnpacht."

Where certain "mijnpachts" were intended to be reserved to the owners of ground about to be proclaimed as a public gold diggings, and everything necessary for the granting of such "mijnpachts" had been done before the proclamation, except that the "mijnpachtbrieven" had not been actually signed till three weeks after such proclamation, but the Government considered the grant as complete; Held, that such informality was immaterial in an action instituted years later for portion of the ground pegged off within the "mijnpacht." *James Parker Rothwell* vs. *The New Rietfontein Estates Gold Mines, Ltd., and Dr. W. J. Leyds, N.O., C.L.J., Vol. XI., p.* 48, decided on the 22nd July, 1893, *coram* Kotzé, C.J., and De Korte and Morice, J.J.

In the case of the *Jewel G.M. Co.* vs. *Oosthuizen* (decided on the 13th of June, 1890, *coram* Kotzé, C.J., and Esselen and De Korte, J.J., unreported) the plaintiff claimed to be declared the owner of certain blocks of claims on the farm Sterkfontein, on which the defendant was alleged to have trespassed. The defence was that the claims had been wrongfully pegged off by the plaintiff on ground which had been duly reserved by the defendant as a "mijnpacht" before the proclamation of the farm. The Court gave judgment for the plaintiff on the ground that in the proclamation of the farm Sterkfontein no portion had been reserved as a "mijnpacht," and that the defendant had failed to prove that a "mijnpacht" had been beaconed off.

Cf also *Cathcart* vs. *The Main Reef G.M. Coy.* in Appendix C. Also the case of the *Nabob G.M. Coy.* vs. *The Phœnix G.M. Coy.* in Appendix C.

29. The "mijnpachtbrief" referred to in Article 28 shall be granted for a period of not less than five, and not more than twenty years. The holder of such "mijnpachtbrief" shall, however, be at liberty to renew the said "mijnpacht" for another term of twenty years or less, subject to the provisions of the law then existing. This right of renewal shall also be given to holders of "mijnpachten" already granted, after the expiration of the term for which the "mijnpachtbrief" was granted. Duration of mijnpacht-brief. Renewal for 20 years.

10s. per morgen per annum payable on mijnpachtbrief.

The sum of 10s. per morgen per annum shall have to be paid on the "mijnpachtbrief," payable in advance to the official under whose administration the "mijnpacht" is situated, while the holder of such "mijnpachtbrief" is subject to the following conditions:—

Proper account of finds to be kept.

(1) He shall keep proper account of all finds, and use such forms for that purpose as the Government may find necessary to prescribe.

Inspection of books.

(2) Inspection of the books shall at all times have to be granted to the Mining Commissioner or official under whose administration the "mijnpacht" is situated, or to any other official appointed for that purpose.

2½ per cent. of the value of all finds in lieu of 10s. per morgen.

(3) The Government shall at all times have the right to demand, instead of the payment of 10s. per morgen, payment of 2½ per cent. of the value of the finds during the past year, as indicated by the books or other means.

Accuracy of returns to be verified.

(4) If such is demanded by the Government officials, the accuracy of the returns in the books shall have to be verified on oath by the owner or his bookkeeper.

Further conditions.

(5) Such other conditions as the Government shall consider desirable, not, however, in conflict with the spirit or the provisions of this law.

When payment for mijnpachtbrief is 6 months in arrear.

When the payment for the "mijnpachtbrief" for such "mijnpachten" is six months in arrear, the Mining Commissioner or official under whose administration the "mijnpacht" is situated shall call for payment of the same in the *Staatscourant*, and by notice in writing to the owner.

Demand immediately after expiration of 6 months.

The Mining Commissioner or official under whose administration the "mijnpacht" is situated shall be obliged to make this demand immediately after expiration of the six months.

When mijnpacht-brief lapses.

If within three months after the date of the publication of such demand payment of all monies due has not been made, the Government shall have the right to declare the "mijnpachtbrief" to have lapsed.

Angles of mijnpacht indicated by stone beacons.

30. All angles of a "mijnpacht" must be indicated by stone beacons of masonry, as stated in Article 43, and bear the inscription: "Mijnpacht" No.....(being the number of the "mijnpachtbrief"), as also the official beacon number, to be given by the Claim Inspector, while the sides must be indicated as stated in Article 44.

Holder of mijnpacht-brief responsible for maintenance of beacons.

For the proper maintenance of these beacons to the satisfaction of the Mining Commissioner the holder of the "mijnpachtbrief" shall be responsible, according to Article 3 of Law No. 3, 1864, as approved by the resolution of the Volksraad, Article 519, dated 22nd of March, 1866. These beacons shall, on neglect, be erected and maintained by the Government at the expense of those entitled to the "mijnpacht," after notice has been given in accordance with Article 45.

The absence or the imperfect condition of the beacons can never give rise to a dispute as to the size of the "mijnpacht," according to the approved diagram, and according to the "mijnpachtbrief" granted.

See the case of the *Nabob G.M. Coy.* vs. *Phœnix G.M. Coy.* in Appendix C.

Lessee of mineral rights entitled to mijnpacht-brief.

Lease notarially drawn and registered.

31. Anyone hiring a portion of a farm or of a piece of ground from the owner thereof for the purpose of exploiting mines thereon can, in the same way and on the same conditions as the owner, obtain a "mijnpachtbrief." provided he causes his lease to be drawn up notarially and registered. This "mijnpacht" shall be renewable as long as he remains the lessee.

The Langlaagte Estate G.M. Coy, owner of the farm Langlaagte, leased the mineral rights on a portion of the farm to the Crown Reef G.M. Coy. When the farm was proclaimed the Crown Reef G.M. Coy. obtained a "mijnpacht" and owners' claims on the said portion. Then that portion of the farm was closed by the Government with the exception of the "mijnpacht."

The Langlaagte Estate G.M. Coy. then laid out a township on the said portion which was closed. The Crown Reef G.M. Coy. began making a tram line through the township from the "mijnpacht" to the railway line for the carriage of coal, alleging it had a right of passage over the said ground. The Langlaagte Estate G.M. Coy. obtained a provisional interdict against the making of the tram line. The Court confirmed the provisional interdict, holding that if the Crown Reef G.M. Coy. had a right of passage, such right should be exercised *civiliter* and the Langlaagte Estate G.M. Coy. should be consulted as to where the tram line should run. *The Langlaagte Estate G.M. Coy., Ltd.*, vs. *The Crown Reef G.M. Coy., Ltd.* (decided on the 23rd February, 1892, *coram* Kotzé, C.J. and De Korte and Morice, J.J., unreported).

See also the cases of *Kraft* vs. *Bok, N.O., and the Witwatersrand Gold Mining Company* and *Du Preez and others* vs. *Meyer and Van der Walt* and *Taylor and Claridge* vs. *Van Jaarsveld and Vellmapius* referred to under Article 51.

32. "Mijnpachten" and leased grounds with licences or "mijnpachten" thereon may be transferred wholly or in part from one person to another, subject to the regulation laid down in Article 14, Law No. 7 of 1883. **Mijnpachten may be transferred.**

On the division of a "mijnpacht" the holders of the portions render themselves responsible, jointly and severally, to the Government from the date on which the registration of the transfer of the portions accruing to them took place, for the payment in full of all moneys due according to the original "mijnpachtbrief," and for the strict carrying out of the legal regulations applicable to "mijnpachten." **On division of mijnpacht holders of the portions are jointly and severally liable.**

These regulations, shall as regards division, also be applicable to "mijnpachten" already granted.

Every deed of transfer shall have to bear a stamp according to Law No. 5 of 1882, Schedule A. **Deed of transfer to be stamped.**

In the case of a sale in execution of "mijnpachten" and leased grounds the same regulations shall be applicable as in the case of a similar sale of immovable property. **Sale in execution of mijnpacht.**

33. In regard to the renewal of "mijnpachten" under Articles 31 and 32, the following rules shall be applicable:— **Renewal of mijnpacht.**

(1) That no "mijnpachten" shall be renewed except in the name of the persons or companies in whose favour they were last registered unless transfer has previously been made in the name of the new applicant. **Renewal in name of registered holder.**

(2) That the renewal of a "mijnpacht" to a lessee according to Article 31 of this law shall take place only when it appears from the contract to be produced by him and notarially registered that the lease is still unexpired or has been properly renewed. **In favour of lessee when lease unexpired.**

(3) That when a person was formerly a lessee, but since that time has also become owner of the ground on which the "mijnpacht" is situated, and it appears that he has in consequence the owner's rights as well as the mineral rights in his possession, the renewal may take place. **Merger of rights of owner and lessee.**

(4) That in case a "mijnpacht" term has expired and it is desired, on renewal of this "mijnpachtbrief," to divide the "mijnpacht" in accordance with Article 32, then this shall be effected for as many parts as application for renewal is made for, in which divided "mijnpachtbrieven" the obligations mentioned in Article 32 must appear, and provided that with each such divided "mijnpachtbrief" proper surveyor's diagrams in quadruple are produced. **Division of mijnpacht on renewal after expiry.**

Renewal of mijnpacht-brief for a portion of a mijnpacht.

When at the renewal of a "mijnpachtbrief" it appears that the "mijnpacht" belongs to more than one owner and that some or any of those owners do not desire to renew their portion or portions, the portion wherefore application is made can be renewed provided that at each such partial renewing proper surveyor's diagrams in quadruple are produced, and in cases of undivided "mijnpachten" such applicant or applicants shall be entitled to take out their accruing portion of the "mijnpacht," in terms of paragraph 3 of article 28, while the Government must then, within six months after the day of expiration, proclaim the remaining portion of the original "mijnpacht" public diggings.

Renewal of mijnpacht-brief in cases of undivided mijnpachten.

Renewal for from 5 to 20 years.

(5) That the extension or renewal may be effected for from five to twenty years, as in the case of a new "mijnpachtbrief," in conformity with Article 29 of this law.

Conditions on which mijnpacht-brief granted.

(6) That the "mijnpachtbrief" shall be granted on the payment and on the conditions now laid down by law or to be laid down later.

New mijnpacht-brief issued on division of unexpired mijnpacht-brief.

Registrar of Deeds must note division on original mijnpacht-brief.

(7) That in case of the division of an unexpired "mijnpachtbrief" of the portion to be sold a new "mijnpachtbrief" shall be issued by virtue of a notarial cession, with proper diagrams, and that on application the original "mijnpachtbrief" must also be sent in, in order that a note of the division may be made thereon by the Registrar of Deeds, which shall also have to be done when a portion of a "mijnpacht" is afterwards subdivided.

No concessions on Government ground.

Localities, where working by individual diggers is not payable, may be given out under mijnpacht.

34. No concessions on Government ground shall in future be granted. When however, localities are discovered where the working of claims by individual diggers is not sufficiently payable, or where the ground, after having been worked as claims, has been abandoned, such localities may be given out under "mijnpacht" to a digger or diggers for a fixed number of years, for the purpose of working them by machinery or otherwise, on the following conditions:—

Extent of ground under mijnpacht.

(*a*) The extent of pieces of ground given out under "mijnpacht" shall not be less than 150 by 150 yards or greater than 500 by 500 yards.

Application to be posted at office of Landdrost.

(*b*) Every application shall be posted for one month at the office of the Landdrost of the respective district, or should the ground be under a Mining Commissioner, at his office, and also on the gronnd applied for, and shall contain a full description of the ground as to extent, situation, and whether it has been already worked or not.

Objections to be made in writing.

(*c*) Anyone concerned has the right to raise objections to the granting under "mijnpacht" of a piece of ground, which must be done in writing giving the grounds of his objections, the validity of which the Landdrost or Mining Commissioner shall enquire into.

Mining Commissioner shall send application to Government.

(*d*) Immediately after the expiration of the time of notice, the Landdrost, or the Mining Commissioner, shall send in the application to the Head of the Mining Department, with his report. If the Government, after consultation with the Head of the Mining Dnpartment, approves of it, then the "mijnpacht" shall be granted, according to the form appearing in the schedules of this law.

10s. per annum per morgen to be paid.

(*e*) For this "mijnpacht" a yearly rental, always payable in advance, shall be paid, calculated at 10s. per morgen yearly. The "mijnpachtbrief" shall have to bear a stamp of the value of £2 10s.

(f) "Mijnpachten" may be transferred in the same manner and under the same conditions as claims and other mining rights. Transfer of mijnpacht.

(g) If the ground for which a "mijnpachtbrief" has been granted is not worked, the "mijnpachtbrief" shall not be renewed except with the express written consent of the Government. If ground not worked, mijnpacht - brief shall not be renewed.

(h) Such other conditions as the Government shall consider desirable. Further conditions.

See the cases of *Boyne and Nightingale* vs. *The Spitzkop G.M. Company*, and *the Spitzkop G. M. Company* vs. *Stanley and Tate*, referred to under Article 62.

See also the cases of *Gilbaud and Co.* vs. *Walker and others; Cohen, Goldschmidt and Co.* vs. *Stanley and Tate; Stanley* vs. *Goldschmidt and Co.* in Appendix C.

35. When, within private ground which has been proclaimed as public diggings, localities are discovered where the working of claims by individual diggers is not sufficiently payable, or where the ground, after having been worked as claims, has been abandoned, the Government, after consultation with the Head of the Mining Department, shall have the right to give out "mijnpachten" on such localities, in accordance with the provisions contained in Articles 28, 29, and 31 of this Law. Localities, where working by individual diggers is not payable, within private ground may be given out under mijnpacht.

36. Persons or companies holding concessions or "mijnpachten" on private or on Government ground, shall be at liberty, without violating the concessions or "mijnpachten," to permit persons to dig on their own behalf on such grounds under concession or "mijnpacht," under such lawful agreements as the said concessionaries or "mijnpacht" holders and persons may mutually enter into; provided that each person so digging takes out a licence from the official under whose administration the ground is situated. On such a licence it shall be clearly stated on which "mijnpacht" or concession the same is granted, while the payment shall be the ordinary licence money per claim. Holders of concessions or mijnpachten may permit others to dig. Such digger must take out a licence.

The regulations regarding claims are applicable here, excepting those relating to the reversion to the Government in case of non-payment of the licence monies, while further the extra licence monies, according to Article 86, second paragraph, need not be paid. The 2½ per cent. mentioned in Section 3 of Article 29 shall not be levied on these claimholders. Regulations regarding claims are applicable with certain exceptions.

The concession or "mijnpacht" holder is obliged to give notice to the official under whose administration the said ground is situated, of every permission granted. Every contravention shall be punished with a fine of not more than £10, or, in default of payment, with imprisonment as laid down in Article 8. Notice of permission granted. Penalty.

37. Diggers on ground under a concession or "mijnpacht" shall be under the Mining Commissioner under whose administration such ground falls, or the nearest Mining Commissioner or the Landdrost of their district, according to the decision of the Government. Diggers on ground under mijnpacht under jurisdiction of the Mining Commissioner.

38. The concessionaire or "mijnpacht" holder who allows diggers to dig on the ground which he holds under a concession or "mijnpacht," in accordance with Article 36, shall be entitled at the end of every month to receive from the Government three-fourths of the money paid for licences. Concessionaire or mijnpacht-holder shall receive three-fourths of the licence money.

Section 4. Proclamation and Throwing Open as Public Diggings.

39. The State President has the power, with the advice and consent of the Executive Council, to proclaim and throw open as public diggings Government ground and, after consultation, if possible, with the owner, also private ground, or to attach the same to an already proclaimed field, whereby it must be kept in view that State President has power to proclaim and throw open ground.

Proclamation after 6 weeks' notice in *Staatscourant*

Notice to be posted at office of Mining Commissioner.

Proclamation to be published in *Staatscourant* at least 30 days

no ground shall be proclaimed that is not necessarily required for the diggings. The issuing of such a proclamation of Government and private ground shall, however, not take place except after publication of notice during six weeks in the *Staatscourant*; such notice shall further be posted up either at the office of the Mining Commissioner within whose jurisdiction the said ground is situated, or at the office of the nearest Landdrost. The proclamations of Government and private ground shall, however, after the expiration of the notice above-mentioned, have to be published in the *Staatscourant* at least 30 (thirty) days previously, stating day and date of throwing open.

No pegging of claims before reading of proclamation.

In future no private or Government ground, declared a public diggings by proclamation, shall be available for the pegging off of claims, before that the proclamation has been read by the official under whose jurisdiction such ground is situated in front of his office, and where also the licences shall be issued for the first time. No person shall have the right to peg off claims before he or his deputy is on the ground he intends to peg, with his licences.

If owner does not prospect or allow others to do so, his ground cannot be proclaimed.

40. So long as the owner himself does not prospect, or has not given permission to others to do so, the State President, with the advice and consent of the Executive Council, shall have no power to proclaim his ground as a public diggings or prospecting field, nor shall anyone else be able to force him to allow his ground to be prospected.

Three months' notice shall be given to the owner of intended proclamation.

41. The Government shall give notice of its intention in the *Staatscourant* to the owner of the farm or piece of ground which it wishes to throw open as a public diggings or prospecting field, three months before the proclamation of the throwing open takes place, so as to enable the owner to peg off his owner's claims according to Article 48, and to take out his "mijnpachtbrief" and to define his homestead, building, and arable lands according to Article 54.

The Government must observe the law from which it derives its power.

The Government cannot decide whether or not a person has forfeited his rights.

The Government is bound to give the owner notice, in the way prescribed by law, of the intended proclamation of the farm as a public gold diggings.

It is for the Court to decide whether or not the Government has exceeded the power given it by law.

The receipt of the owner's share of the licence money for claims pegged off on "mijnpacht" ground is not sufficient to empower the Government of its own accord to deprive such an owner of his "mijnpacht" right.

Possessors of claims on ground wrongfully proclaimed have no *locus standi* or right to intervene in an action to set aside such a proclamation instituted by the real owner against the Government, and must endeavour to maintain their right by way of a separate action. *The United Langlaagte G.M. Co., Ltd.* vs. *The State and the Langlaagte Royal and the Rand G.M. Co., Ltd. Official Reports. Vol. I., Part 1, p. 54* (decided on the 10th February, 1894), *coram* Kotzé, C.J., and Ameshoff and Morice, J.J.

Before proclamation private grounds must be surveyed.

42. Before the proclamation of a public diggings takes place all private grounds shall be properly surveyed and diagrams thereof shall be made, which diagrams must be approved of according to law. The lines between the beacons shall also be beaconed off, according to Article 44, by a duly admitted land surveyor.

Likewise Government ground.

All Government grounds to be proclaimed as public diggings shall in like manner be surveyed and put into diagram, where possible, previous to proclamation. The lines between the beacons shall, however, in every case be beaconed off, according to Article 44, by an admitted land surveyor.

If private grounds to be proclaimed are not surveyed by or on behalf of the owner of such grounds within three months after the date of the notice to do so, and the diagrams sent in to the office of the Surveyor-General, the Government shall have the right to cause the survey to be done at the expense of the owner.

If private grounds not surveyed within 3 months of notice Government shall cause survey to be made.

43. All angles of all surveyed proclaimed grounds shall be indicated by square beacons of solid masonry, four feet high, bearing a notice in which the name and the number of the farm, agreeing with the registers of the Registrar of Deeds, besides the official number of the beacon, shall appear.

All angles of proclaimed grounds shall be indicated by square beacons

44. The sides of all surveyed proclaimed grounds, farms, portions of farms, being divisions of proclaimed public diggings, shall, except where natural boundaries exist, be indicated at clearly visible distances by round intermediate beacons of masonry, three feet high, and also, should the Head of the Mining Department, after consultation with the Surveyor-General, consider it necessary, where the nature of the ground admits such, by a trench at least six inches deep. The distances of such beacons from each other shall not be less than one thousand (1,000) yards.

Sides indicated by round beacons.

Sometimes by trench also.

45. The erection of the beacons referred to in Articles 43 and 44 shall, on State ground, be effected by the Government at the expense of the State after calling for proper tenders. In the case of private grounds, written notice shall be given to the owner by the Government within seven days after the State President has decided to proclaim such grounds under this law, to erect the beacons; should the owner not comply therewith within six weeks after the date of this notice the Government shall, after calling for proper tenders, cause the beacons to be erected at the expense of the owner.

Beacons on State ground erected at expense of State.

In case of private grounds, written notice must be given to the owner to erect beacons.

46. A number of claims, not exceeding sixty, may be granted by an owner of a farm of 2,000 morgen or less as "vergunning" claims to other persons and allotted prior to the proclamation of such farm or piece of ground subject to the ordinary licence after proclamation. For every hundred morgen that the farm or the piece of ground consists of in excess of 2,000 morgen the owner has the right to give out two claims more under the same conditions as laid down in the foregoing paragraph.

Number of "vergunning" claims.

See the cases of *Gauf* vs. *The Modderfontein G.M. Co., Ltd., and The Mining Commissioner of Boksburg; Frische* vs. *The Modderfontein G.M. Co. and the Mining Commissioner of Boksburg;* and *Stow and others* vs. *Chester and Gibb*, referred to under Article 26 of this law.

The limitation of the number of "vergunning" claims was introduced by Law 14 of 1894, Article 10.

47. The discoverer of precious metals or precious stones in payable quantities on private farms or Government grounds, at least six miles distant from an already worked locality, shall, on the proclamation of such farm or ground, be entitled to retain and beacon off six claims, whether they be reef or alluvial, which shall be called and registered as prospector's or searcher's claims. Moreover, he may work thereon without licence as long as he remains owner thereof.

Discoverer of precious metals at least 6 miles distant from already worked locality may beacon off 6 claims.

May work them without licence.

48. Should the State President, with the advice and consent of the Executive Council, desire to proclaim or throw open a farm or piece of ground, or a portion thereof, the owner shall have the right to peg off his owner's claims for himself before diggers (the searcher or prospector who discovered the precious metal or precious stones excepted).

Owner may peg off his owner's claims before other diggers.

The owner or owners of a proclaimed farm or farms shall be entitled to peg off for himself or themselves a number of claims, whether they be reef or alluvial, which shall be called owner's claims, viz., for a piece of ground of 50 morgen or less, one claim; for a piece of ground of from 50 to 200 morgen, two claims; and for every

Number of owner's claims.

The discoverer of precious metal has the first right to peg off claims.

250 morgen in addition, one claim more, with a maximum of ten claims for a farm; and to hold these claims under licence, after the prospector, who discovered the precious metal or precious stones in payable quantities, has pegged off his prospector's claims. After this pegging off of prospector's "vergunnings" and owner's claims, diggers may peg off claims for themselves according to law.

See *Gauf* vs. *The Modderfontein G.M. Co., Ltd.* and *Frische* vs. *The Modderfontein G.M. Co., Ltd.*, referred to under Article 26 of this law. With Article 48 of this Law compare Articles 14 and 17 of Law 18 of 1892.

Discoverer of precious metal shall not lose his rights through the unwillingness of Government to proclaim the ground.

49. The prospector who, in accordance with Articles 26 and 47 of this law, discovers precious metals or precious stones in payable quantities, shall not lose his rights through the unwillingness of the Government to proclaim the ground a public diggings or to attach the same by proclamation to an already proclaimed farm or diggings.

Discoverer shall have all the rights of an ordinary digger.

On private ground he shall have these rights, even though ground not proclaimed.

Use of water by such discoverer

50. The holder of a prospecting licence shall, immediately after investigation has been made on his report, and the Government has decided as to the payableness of the precious metal or precious stones in the grounds discovered by him, as is provided in the foregoing article, enjoy all the rights of an ordinary digger, over and above his special right as prospector, and he shall have these rights on private ground even though the same be not proclaimed as a public diggings. He shall in that case, in order to be able to work his claims, be entitled to such use of the water on the farm as may be agreed upon in writing between him and the owner of the farm.

When this article not applicable.

This article shall not be applicable when a landowner specially hires somebody to prospect for him, or when a separate agreement is made before the granting of the written permission mentioned in Article 26, whereby the prospector, in order to obtain the written permission, waives his claim in writing to the benefits under this article.

Owner to get half of licence money.

51. The owner of the private proclaimed ground, on which digger's and prospecting licences are issued, shall receive half of the proceeds of the digger's and prospecting licences monthly.

Owner gets three-fourths of proceeds of stand licences.

Of the proceeds of stand licences the owner shall receive three-fourths and the Government one-fourth. This provision is not applicable in cases where contracts between the Government and the owner already exist.

Accounts to be made out in name of owner.

The accounts for all these monies shall always be made out in the name of the owner, and the monies, even in case of lease *(a)*, shall be paid out to the owner or his authoritised representative only.

In the case of *Kraft* vs. *Bok, N.O., and the Witwatersrand Gold Mining Company* (decided on the 20th of June, 1887, *coram* Esselen and Jorissen, J.J. C.L.J., Vol. V., p. 14), the question was whether the lessee of the mineral rights on a farm obtained thereby the right that would otherwise, under Article 15 of the Gold Law of 1885, belong to the owner, of receiving half of the monies paid to the Government for prospecting and digger's licences on such farm after it had been proclaimed a public goldfield under Article 10 of the Gold Law. The plaintiff in the case, who was the owner of the farm Driefontein, had before the proclamation of the farm entered into a contract with H. W. Struben, by which the former leased to the latter "all the mineral rights of whatever sort accruing to the first undersigned (Kraft) as owner of the farm; and the action arose through Kraft's claiming from the Government the half of the licence monies paid to the Government for claims pegged out on the farm after it was proclaimed, which monies the Government had been proceeding to pay to the Witwatersrand Gold Mining Company, as cessionary from H. W. Struben of the lease. The decision of the Court was that the owner of the farm, the plaintiff, was entitled to the half of the licence monies, as the right to receive such monies was not a right to minerals, and was, therefore, not included under the words "all the mineral rights of whatever sort accruing to the first undersigned (the lessor) as owner of the farm" used to describe the rights passing to the lessee.

It must be noted that when this case was decided (20th of June, 1887) Law 10 of 1887 had not come into force. The words "the accounts of all these monies shall always be made out in the name of the owner, and the monies, even in case of lease, shall be paid out to the owner or his authorised representative only" do not appear in Article 15 of Law 8 of 1885. They were introduced by Article 5 of Law 10 of 1887. This, as is remarked by Mr. Morice (now Mr. Justice Morice) in his article in the "Cape Law Journal," Vol. V., p. 15, would seem to indicate that the judgment was in accordance with the intention of the legislature.

In the case of *Du Preez and others* vs. *Meyer and Van der Walt* (decided on the 23rd of February, 1887, *coram* Kotzé, C.J. and Esselen, J., C.L.J., Vol. V., p. 15) it was held that under the Gold Law the lessee of a farm on an ordinary, *i.e.*, an agricultural lease, obtains no rights as regards the precious metals or pegging out claims, though the owner cannot exercise his mining rights to the prejudice of the lessee in the enjoyment of his rights under the lease. The same case also decided that it is not necessary to make the Government a party to an action for setting aside a "mijnpacht."

In the case of *Taylor and Claridge* vs. *Van Jaarsveld and Nellmapius* (Feb. 26th, 1887, *coram* Kotzé, C.J. and Esselen, J., C.L.J., Vol. V., p. 18) the plaintiffs sued for specific performance of a verbal contract by which the first defendant bound himself to give the plaintiffs the exclusive right of prospecting for six months, with the right, if they had found payable minerals, to take out a lease of the mining rights of the farm, which subsequent lease was to be executed according to law. It was argued for the defendants that this verbal contract was void in virtue of Article 14 of Law 7 of 1883 (upon transfer dues), which states that "no cession of a right to minerals assumed to be present or actually present on a farm, shall be valid unless embodied in a notarial document and duly registered in the office of the Registrar of Deeds," and goes on to enact that transfer dues must be paid, such cessions specially referring to leases. The Court decided that the contract of the first defendant was not a cession or lease, but merely gave the option of taking a lease at a future time; and, therefore, did not require to be notarially drawn and registered. Whether the contract could be described as *an agreement as to* the cession of mineral rights, and, therefore, included in the words of the Volksraad resolution of August 12th, 1886, was expressly left an open question by the Court, the contract being prior to the date of such resolution. The resolution above mentioned is to the effect that all agreements *as to* the cession *(omtrent den afstand)* of rights to minerals shall be void, unless notarially drawn and registered in the Deeds Office.

See also *Pearce* vs. *Olivier and others* in Appendix C, and *Steyn* vs. *Bezuidenhout* in Appendix C.

Throwing open of town commonages and native locations.

52. When a desire is expressed by way of memorial by inhabitants or by occupiers of a location that town commonages or native locations be thrown open either wholly or in part, and such appears to the State President desirable and practicable, he shall have the power, with the advice and consent of the Executive Council, after consultation with the head of the Mining Department, to throw open these grounds, either wholly or in part, for prospectors, or to declare them public diggings under the provisions laid down in this law for Government ground, provided, however:

Application by at least two-thirds of inhabitants.

That no right to prospect or to dig on the town commonage shall be granted unless application therefor is made by at least two-thirds of the burghers and inhabitants of a town.

Not to interfere with cattle grazing.

That no right as above shall be granted unless the town commonage of any town is of sufficient size to cause no interference in that respect with the requirements of cattle-grazing.

Roads not to be obstructed.

That all roads and pathways leading to the town shall remain unobstructed.

No trees to be removed.

That no trees or other wood shall be used or removed for carrying into effect the rights to be granted.

No encroachment on rights to water.

That no encroachment shall be made on any existing rights to the leading and the use of water, whether it be for public or private purposes, and such encroachment shall be punished in accordance with the penalty clauses of Article 146.

Rules with regard to public diggings on Government ground applicable.

That all rules and regulations with regard to public diggings on Government grounds, as laid down in the now amended Law No. 8 of 1885, as far as the same are compatible with prospecting and digging on town commonages, shall be observed.

Portion of revenue to be used for improvement of town.

That a certain portion of the nett revenue of the diggings, to be fixed later by the State President, with the advice and consent of the Executive Council, shall be applied for the benefit and for the improvement of the town.

Further regulations.

The State President shall be empowered, with the advice and consent of the Executive Council, after consultation with the head of the Mining Department, to make such further provisions as may be necessary for the regulation of affairs, provided they are not in conflict with the above rules or principles.

Search for precious metals on locations.

53. When a chief, with the advice of his council, desires that investigations should be made as to the presence of precious stones and precious metals on the location which he occupies with his people, he may request the Government to cause such to be done by white persons.

Preference given to persons whose farms were expropriated for extension of location

The persons proposed by the chief and his council shall enjoy the consideration of the Government in the first place. Should the Government consider it desirable to authorise other persons, this can be done without reasons being given; those persons excepted whose farms were expropriated by the Government for the purposes of the extention of the location, to whom the preference shall be given. The Government shall cause to be pointed out to the person or the persons authorised by it what portion of the location is made available for prospecting.

Throwing open of locations.

When it appears through prospecting that precious stones or precious metals are found in payable quantities within such locations the State President shall have the right, with the advice and consent of the Executive Council, to declare these grounds, either wholly or in part, public diggings, under the regulations laid down in this law for government grounds, provided, however:

Reservation of grazing rights. "Kraals" not to be interfered with.

(1) That grazing rights shall be left to the chief and his people.

(2) That their "kraals" (cattle pens) and lands shall be excluded and shall not be disturbed except with their consent.

Water.

(3) That sufficient water shall be left for their domestic use and for their cattle.

Mijnpacht may be granted.

(4) That a "mijnpacht" may be granted to the person or persons authorised by the Government to prospect, when they give sufficient proof of the payableness of the grounds, under the provisions of this law, the size to be fixed in consultation with the Superintendent of Natives and with the head of the Mining Department, but in no case greater than the maximum fixed for private grounds by Article 28, par. 2 and 3 of this law, computed according to the number of morgen to be thrown open.

Compensation to chiefs and their people.

(5) That compensation, computed at a fourth of the proceeds of the licence and "mijnpacht" monies, shall be granted to those chiefs and their people who have received the locations gratis from the Government.

(6) That compensation, computed at a third of such proceeds, shall be granted to those chiefs and their people who have acquired the location grounds, wholly or in part, at their own expense.

(7) The Government is empowered to make such regulations as it may deem fit with regard to the portion of licence and "mijnpacht" monies to be awarded to Moshette and the kaffir chiefs standing on an equality with him.

Where prospecting and digging shall be forbidden.

54. Where private grounds are proclaimed public diggings, or are attached by proclamation to already proclaimed fields, or are made available for prospectors, the Government shall first consult with the owner, if possible, to determine on what plots of ground, such as plots which are built on, homestead ground, gardens, burial

grounds, "kraals," lands, and watercourses in the neighbourhood thereof, it shall be prohibited to prospect and to dig. On unworked farms or portions of ground, where there is no occupation, the owners in conjunction with the Government, the Mining Commissioner or the Landdrost of the district, may beacon off a "werf" (homestead ground) which shall be reserved for homestead, building and cultivation lands. The stipulations of Article 28 par. 3 shall be applicable to these "werven" (homestead ground).

Right of owners to beacon off "werven" on unworked ground.

See the case of the *Witwatersrand G.M. Coy. Ltd*, vs. *Young*, referred to under Article 15 of this law.

55. Under any circumstances sufficient water shall remain free for the use of the owner, his family, his cattle, and for the watering of all gardens and lands existing at the time of the proclamation, and for the working of "mijnpachten" granted under the provisions of this law.

Water for use of owners.

The quantity of the water required for these purposes shall, before the proclamation as public diggings, by order of the head of the Mining Department be gauged and determined by him. This water, so gauged, may afterwards be used by the owner for other purposes or disposed of by him.

Gauging of quantity of water required.

The rest of the water and the water that is not so used shall at all times be allowed to flow away unobstructed. The use thereof shall be regulated by the lawful authorities, according to the provisions of this law. Lessees, servitude-holders, or others entitled to water, retain the right to such water in so far as they make use thereof at the time of the proclamation for the purposes mentioned in the first paragraph, and after the quantity thereof shall have been fixed by the head of the Mining Department, which shall take place before proclamation. In this respect the provisions of the second paragraph of this article apply.

Surplus water to flow unobstructed.

Water for lessees and servitude holders.

The farm Zandrivier (Zoutpansburg) was proclaimed a public gold-fields on October the 6th, 1887, but a portion of the farm containing the dwelling-house and lands of the plaintiff was reserved. The plaintiff obtained his water supply from a spruit running through the farm. The defendant company secured a water-right higher up on the same spruit. The plaintiff instituted an action against the defendant company for a declaration of rights to have it declared that the company was not entitled to take water from the spruit for its battery. He also sought a perpetual interdict against the company preventing it from using the water and from allowing its tailings to run into the spruit and thence into his dam, maintaining that owing to the reservation of his dwelling and lands no water-right could be granted under the Gold Law so as to affect his rights. It was held by the full Court (De Korte, Ameshoff and Morice, J.J.) that under Section 30 of Law 10 of 1887, the water-right was rightly granted to the company, although it affected the rights of the plaintiff.

Held, further, that § 47 of Law of Law 8 of 1885 must be interpreted strictly, and does not permit the filling up of furrows or other watercourses with tailings.

An interdict was accordingly granted, restraining the Company from allowing its tailings to run into the spruit, and it was further ordered to remove such tailings as had run into it, and to pay the plaintiff £200 as compensation. *J. J. Maré* vs. *Mount Maré G. M. Coy., Ltd.*, decided on the 2nd of February, 1892 (unreported).

§ 30 of Law 10 of 1887 gave to the old Digger's Committee the right to frame regulations with regard to the division and use of water.

Cf. § 126 of this Law.

§ 47 of Law 8 of 1885 is replaced by § 125 of this Law.

In the case of *Steyn* vs. *Johnson and the Diggers' Committee of the Witwatersand Goldfields* (11th Nov., 1887, C.L.J., Vol. V., p. 15), an application was made by Steyn as owner of a farm to set aside a grant of a water-right on his farm by the Diggers' Committee on the ground that it had been granted contrary to the Gold Law. The judge refused to decide the matter on affidavits, but, giving the owner the advantage of being regarded as in possession, decided that the digger who had obtained the grant of the right from the Diggers' Committee must make good his right by action.

56. The Government shall further have the right to require from the owner or his representative that these grounds for occupation be properly enclosed, and that a diagram thereof be made within a time to be fixed by the Government, which time, however, shall not be shorter than three months.

Grounds occupied by owner mus be properly enclosed.

If within the time fixed this be not complied with the Government shall have the right to do the said work at the expense of the owner or his representative.

Government may use portions of proclaimed private ground for public purposes.

57. On the private grounds referred to in this article the Government shall have the right, as long as the proclamation continues, to occupy and to build thereon, without payment, such pieces of ground as shall be necessary for offices and other public buildings, for the deposit of rubbish, for burial grounds, and for other general purposes. Such pieces of ground shall, if possible, after consultation with the owner, be beaconed off by the Mining Commissioner at the expense of the State, and a diagram thereof shall be drawn up by a qualified surveyor, and these places may not be pegged off.

The buildings referred to in the previous paragraph shall remain the property of the State.

When ground on private proclaimed farms may be given out for gardens and plantations.

58. On private proclaimed farms, two years after the proclamation of the same, pieces of ground may be given out for gardens and plantations, on places where it appears that there are no gold-bearing reefs or alluvial deposits present, under the following conditions:

How effected.

(1) The issue of such grounds is effected by the Government, on the request of the owner, under such conditions as it may determine, after investigation by the Mining Commissioner concerned, and on the proposition of the head of the Mining Department.

What if gold-bearing reefs be discovered.

Compensation for damage fixed by arbitration.

(2) If it should afterwards appear that gold-bearing reefs do exist there, that portion which such reefs pass through shall be given out in the ordinary way, with this proviso, however, that if damage is done to gardens or plantations, such damage shall be paid for by the licence holder or holders according to assessment to be fixed by arbitrators.

Such ground may not be used for any other purpose.

59. When pieces of ground are given out, according to the foregoing article, for gardens and plantations, such pieces of ground may not be used for any other purpose.

Dams.

Pipes.

Roadways.

60. Where, on the various proclaimed diggings, a person or company, holder of claims or a "mijtpacht," desires to make a dam for the collecting of tailings (*a*) or rain water (provided it be not from an existing water-course or fountain), to lay down a tube, pipe, or other conductor, for the bringing of water to his or its machine stand, or to construct a roadway for the conveyance of quartz or material from the claims or "mijnpacht" to the machine stand, whether it be for ordinary wagons drawn by draught animals, or for so-called trucks conveyed along rails, provided such trucks be not propelled by steam or electricity, the Mining Commissioner may grant permission for that purpose.

Permission by Mining Commissioner.

Written application.

Publication.

Compensation and objections

Penalty.

If such water-races, ordinary roads, or truck rails go over claims, "mijnpachts," water-courses, streets, railways, tramways, or stands of other persons, the applicant, in order to obtain the necessary permission for the construction and exploitation of the same, shall have to make a written application therefore to the Mining Commissioner concerned. This application shall be published for a month in the *Staatcourant*, and in one of the local papers, by and at the expense of the applicant, for the information of parties, who must within that time send in their objections and claims to compensation to the Mining Commissioner concerned. Any person constructing such water-races, dams, roads, etc., over claims, "mijnpachts," etc., without having obtained the permission of the Mining Commissioner to do so, shall be punished with a fine not exceeding £10, or on default of payment, with imprisonment for a period not exceeding six weeks, without prejudice, however, to the right of the

owner or the owners of the surface to compensation. The amount of such compensation shall be determined by two arbitrators. One of them shall be chosen by the applicant and the other by the interested party. Should the arbitrators differ, the Mining Commissioner shall act as referee, from whose decision there shall be an appeal to the Head of the Mining Department, whose decision shall be final.

Compensation fixed by arbitration. Mining Commissioner referee. Appeal from Mining Commissioner to head of Mining Department.

See the case of *The Langlaagte Estate G.M Coy., Ltd.*, vs. *The Crown Reef G.M. Coy., Ltd.*, referred to under Article 31 of this law.

(a). The plaintiff company allowed its tailings for two years to run down a creek and took no steps to prevent their being entirely washed away. The defendants afterwards pegged off the ground on which the tailings had been washed. The company in an action claimed the tailings, but the Court held that there had been total abandonment, and gave judgment for the defendants.

Sheba G.M. Company Ltd. vs. *Vautin, Millbourne and Steers*, decided on the 5th of March 1889, *coram* Esselen, Jorissen and De Korte, J.J. (unreported).

61. The Government may, by special agreement, grant permission for the laying of conductors for the transmission of electrical currents for the use of the mines and mining works.

Permission to lay conductors for electrical currents.

62. An area once declared a public diggings or portion thereof may not be closed either wholly or in part, except in the single case when the number of diggers within the boundaries of such portion which it is requested or proposed should be closed is less than a number computed at one digger for every twenty morgen, provided always that the closing of such proclaimed ground shall not affect the rights and claims to machine stands, tailing deposit sites, water-rights, or other possessory rights already obtained. In the event of the closing of a public diggings or portion thereof six months' previous notice thereof shall be given in the *Staatscourant*, and at least once a month in a local paper, should there be one, in the latter case at the expense of the applicant. A diagram of the digging or farm or portion thereof, the closing of which has been requested, shall lie for inspection at the office of the Mining Commissioner during the period of the said six months. All objections filed during the said six months shall be heard on the last day of such term, or, if this day fall on a Sunday or a holiday, the day after. Moreover proper provision shall be made for the continuance of the work of those whose claims have not yet been exhausted, or compensation shall be granted. The amount of such compensation shall be fixed by mutual agreement between the Government and interested parties and, in case they cannot agree, by way of arbitration.

When a proclaimed area may be closed. Six months' notice. Diagram shall lie for inspection. Hearing of objections. Compensation. Arbitration.

The farm Elandsfontein was proclaimed a public gold diggings. Subsequently the defendant company prevailed on the Government to close a certain portion of the proclaimed farm under § 60 of Law 8 of 1890. The plaintiff went and pegged off claims on the portion thus closed, maintaining that the closing was illegal, on the grouud that the number of claimholders on *the proclaimed area* exceeded one for every 20 morgen of ground. The defendant company ordered the plaintiff to remove his pegs and refused to allow him to peg off claims on the abovementioned portion. The plaintiff sought the confirmation of a provisional interdict restraining the defendant company from interfering with his pegging. The company maintained that the words "zoodanige delverij," appearing in § 60 of Law 8 of 1890, referred to the *portion closed* and not to the *area proclaimed*, and alleged that there was not one claimholder to every 20 morgen of ground on the portion closed.

Held (per Kotzé, C.J., De Korte, and Morice, J.J.), that the interdict must be confirmed.

Held (per De Korte and Morice, J.J. ; Kotzé, C.J., reserving his opinion until action brought) that Article 60 lays down the condition under wbich alone the Government has the right to close any public diggings, and that the words "zoodanige delverij" refer to the whole *area proclaimed* and not to the *portion closed* only.

Williams vs. *The Geldenhuis Estate Gold Mining Coy., Ltd., and Dr. W. J. Leyds, N.O.*, decided on the 30th of November, 1893 (unreported). N.B.—The application for confirmation of the interdict is not reported, but the subsequent action is (*vide infra*).

Held, by the majority of the Court (Kotzé, C.J., diss.), that the correct construction of Article 60 of the Gold Law of 1890 is that the Government can only close a portion of any proclaimed area when the number of diggers on the *entire proclaimed* area average less than one digger to every 20 morgen.

Held, also, that where the Court has placed an interpretation on a point of law, and the reading of the Volksraad differs therefrom, the Volksraad should not assign to it a construction conflicting with the decision of the Court, but the proper course would be for the Volksraad to modify the terms of the law to accord with its (the Volksraad's) view, while accepting the Court's decision.

Semble, the number of licences issued is no test of the number of diggers present. *Williams* vs. *The Geldenhuis Estate and Gold Mining Coy., Ltd., and Dr. W. J. Leyds, N.O.* (C.L.J Vol. XI., p. 128.)

See First Volksraad Besluit of the 13th June, 1893, which alters section 60 of the Gold Law, and speaks of one digger to every 20 morgen of the portion to be closed.

In 1889 a portion of the proclaimed farm Doornfontein was given to Fawcus by the Government for the purposes of a township, and notice given thereof in the *Staatscourant*. In November, 1891, the agreement between the Government and Fawcus was cancelled and the cancellation duly notified in the *Staatscourant* of the 25th November, 1891. On the 27th November, 1891, the plaintiff pegged off certain claims on the abovementioned portion. In December, 1891, the Mining Commissioner refused to renew the licences for these claims. Held, in an action for damages for wrongful refusal, that the plaintiff was entitled to a renewal of his licences. Held, further, that when the Mining Commissioner definitely refuses to renew the licences, it is unnecessary to tender powers of attorney, etc. Held, further, that, when a proclaimed area is closed by proclamation or notice in the *Staatscourant*, the same means (*i.e.*, proclamation or notice in the *Staatscourant*) ought to be adopted when it is again thrown open to diggers. *Van Diggelen* vs. *Leyds, N.O.*, decided on the 13th April, 1895, *coram* De Korte, Jorissen, and Morice, J.J.

See all the remarks of Kotzé, C.J., on the last point in *Blomfield* vs. *The Mining Commissioner of Johannesburg and F. J. Bezuidenhout, Jr.* (Official Reports) I., 1, p.p. 135-136.

See also *The Langtaagte Estate G.M. Coy., Ltd.*, vs. *The Crown Reef G.M. Coy., Ltd.*, referred to under section 31 of this law.

In July, 1888, Braamfontein was proclaimed a public goldfields. In January, 1889, the plaintiffs pegged off certain claims there. In February, 1890, a portion of Braamfontein was closed by the Government. In an action by the plaintiffs it was held that they were entitled to the money spent in purchase of claims, as also to the licence monies paid. Money paid in exploiting the ground, to find out whether it contained gold in payable quantities could not be claimed, as it was too vague and remote a claim. The value of certain buildings erected on the ground was allowed, but not the cost of erecting the beacons, because the obligation to erect them was imposed by the law. *Berea Syndicate* vs. *Leyds, N.O.*, decided on the 30th of June, 1891, *coram* Kotzé, C.J. and De Korte and Jorissen, J.J. (unreported).

In the case of *Boyne and Nightingale* vs. *The Spitzkop Gold Mining Company* (C.L.J., Vol. IV., p. 71, decided on December 4, 1886), *Coram* Kotzé, C.J., and De Korte and Jorissen, J.J., it was held that the concessionaires of the sole right to dig for gold on a farm which had been deproclaimed were answerable only for direct damage caused by the granting of the concession, and not for damage not directly resulting from the granting of the concession, but from the withdrawal of the proclamation and the refusal to issue licences.

See also the case of *The Spitzkop Gold Mining Company* vs. *Stanley and Tate* (decided in August, 1885, and referred to in Cape L.J., Vol. IV., p. 72.).

Also the cases of *Gilbaud aad Co.* vs. *Walker and others; Cohen, Goldschmidt and Co.* vs. *Stanley and Tate;* and *Stanley* vs. *Goldschmidt and Co.* in Appendix C.

In the case of *Eloff* vs. *Dr. Loyds, N.O.* (decided by Kotzé, C.J., in Chambers, on the 29th November, 1895, (Off. Rep. Vol. 2, part 3), the applicant (Eloff) alleged in his petition that a proclamation dated the 5th of June, 1888, was published in the *Staatscourant*, of the 13th of June, 1888, by which a certain portion of Braamfontein, in the district of Heidelberg, was thrown open to prospectors; that on the 22nd of July, 1895, a proclaimation was issued to the effect that the above-mentioned grouud would be closed from the 24th of August, 1895; that on the 16th of August, 1895, and therefore before the closing took place, he applied for licences to peg off certain claims on the said ground, and that the Mining Commissioner of Johannesburg refused to issue the licences, notwithstanding the fact that everything necessary had been done according to law; that he (the applicant) thereupon pegged off the claims which, on being surveyed, were found to be 90 in number. He therefore asked for an order to compel the Mining Commissioner to issue the licences.

The Mining Commissioner answered that on the 22nd of June, 1889, he received a telegram from the State Secretary ordering him to issue no further licences on Braamfontein, and that on the 3rd of February, 1890, notice was given in *The Mining Argus* that no further licences would be issued on the said ground, and that, therefore, when the applicant pegged in August, 1895, the ground was not open ground.

Kotzé, C.J., delivered the following judgment:

"The Court is of opinion that a proclamation published in the *Staatscourant* can only be withdrawn by a later proclamation (with a reservation of rights already acquired) unless the Law prescribes otherwise in any particular case. The instructions from the Government and the notice published by the Mining Commissioner in *The Mining Argus* cannot therefore set aside the proclamation of 1888. The later proclamation of the 22nd of July, 1895, first came into force on the 24th of August, 1895, therefore,

before the 24th of August, a person could make application for, and obtain prospecting licences, according to law. The Mining Commissioner did not, therefore, act according to law. The applicant is entitled to prospecting licences for 90 claims. The Court must consider the application and deal with it *nunc pro tunc*. The Mining Commissioner is ordered to issue the licences, and applicant is entitled to his costs."

Section 5. Exploitation of Claims under Licence.

Every white male person of full age entitled to twelve digger's licences.

63. Every white person of full age, of the male sex, who submits to the laws of the land and produces (*a*) to the official charged with the issue of the licences referred to in this Article, the receipt or the certificate that he has paid his personal tax according to law for the current year, shall be entitled to twelve digger's licences to dig or to mine on a public field for precious metals or precious stones; on one claim for every licence obtainable on payment of twenty shillings per month per licence. This licence of twenty shillings may, however, only be demanded for claims on which machinery has already been erected, and is in working order; or if, no matter where, use is already made of machinery for the crushing of quartz coming from these claims. Where, in other cases, the Mining Commissioner orders the taking out of a digger's licence, only fifteen shillings per month need be paid for it. Every person as above-mentioned, provided he complies with the same conditions, is also entitled to obtain twelve prospecting licences, which shall give him the right to search on Government ground, situated within the jurisdiction of the official who issues the licences, and made available for prospecting by the Government, or on private ground, in accordance with the provisions of this law. For every licence to prospect on private ground, five shillings per month must be paid, and on Government ground two shillings and six pence per month, besides a stamp of 1s. 6d. per claim for the first month in every case of pegging off or taking out of claim licences.

When 20s. payable.

When 15s.

Twelve prospecting licences.

5s. for prospecting licence on private ground and 2s. 6d. on Government ground

Married man may peg off claims in his own name for wife and children on producing certificate from Fieldcornet or Justice of the Peace.

A male married person may, besides those for himself, also peg off as many claims as laid down in paragraph 4 of letter *b*, Article 65, for his wife and children in his own name, without power of attorney, provided that a certificate from the Field-Cornet is produced showing that he is married, and actually has as many children as he states in the certificate, which must be sworn to before the Field-Cornet concerned or a Justice of the Peace.

No advantage could be taken of an incorrect description in the licence, where there was clear proof of the identity of the claim, and the intention always existed to acquire the same, and to hold it under under the Gold Law. *Cohen* vs. *The Johannesburg Pioneer G.M. Company*, decided on the 15th of November, 1889, *coram* Kotzé, C.J., and Esselen and De Korte, J.J. (unreported).

Prospecting licences were taken out to peg claims on the farm "Elandsfontein, Simmer and Jack's portion," and claims pegged in January or February, 1889, for the plaintiff's predecessor. The farm was divided into two portions, the Simmer and Jack and the Geldenhuis. The peggers did not know exactly where the dividing line was. They pegged on the Geldenhuis portion. These claims were amalgamated and licences were paid. In September, 1889, Ballott found out the mistake, and in November, 1889, pegged off the claims, knowing they belonged to the plaintiff. Held :—The Court will not allow a person, who, knowing better and being fully acquainted with the circumstances, disturbs another in his occupation or possession of claims, simply because there is an informality or wrong description in the licences, to take advantage of such informality or wrong description, where it appears that the person in possession has acted *bona fide*. The claims was therefore adjudged to the plaintiff.

S. Syndicate vs. *John Ballott G.M. Company, Ltd.;* decided on the 15th of January, 1891, *coram* Kotzé, C.J., and De Korte and Ameshoff, J.J., (unreported).

(*a*) The text is clearly wrong here. It reads "en aan den ambtenaar belast met de uitreiking van de in dit artikel bedoelde licenties, *en* de kwitantie, etc." The second *en* ought not to be there. See the remarks of Kotzé. C.J., in the case of *Kempin* vs. *Leyds, N.O., and the Modderfontein G.M. Company*, referred to under Article 15, with regard to the preposition "op."

See also the case of the *Paarl Pretoria G.M.Company* vs. *Donovan and Wolff, N.O.*, in Appendix C.

Persons who have pegged off prospector's claims before proclamation shall be entitled to remain in possession of them after proclamation.

64. If under this law an area is declared a public diggings by proclamation, the person, or the persons, who has or have pegged off for themselves prospector's claims on that area under prospecting licences, shall be entitled to remain in possession of such claims, provided this law be complied with.

See *Gauf* vs. *The Modderfontein G.M. Company, Ltd., and The Mining Commissioner of Boksburg* referred to under Article 26 of this law.

Pegging claims by means of a holder of power of attorney.

65. With regard to causing the pegging off, and thereafter the holding of digger's or prospector's claims, by means of a holder of a power of attorney, the following rules apply:—

Male and female persons residing in the country.
Married women to be assisted by husbands.

(*a*) Male and female persons, residing within the country, may cause digger's or prospector's claims to be pegged off, and thereafter held, by a holder of a power of attorney, provided, in case they are married women, they are assisted by their husband.

Male persons of full age must produce power and certificate.

Male persons of full age, acting for themselves or as husband, shall have to produce, with their power of attorney, the receipt or the certificate mentioned in Article 63.

Power to be certified by Field-cornet.

(*b*) Every person who wishes to peg off or cause to be pegged off a claim or claims under power of attorney, must have the said power of attorney certified by the Field-Cornet or Assistant Field-Cornet of his ward, and must produce the receipt for the tax paid for the current year.

Fieldcornet must certify that the holder of the power is entered on his list.

This official must further certify that the holder of the power of attorney is entered on his Field-Cornet's list, is known to him as an inhabitant of his ward, and is obedient to the laws of the land.

Powers for wife.

In case such a person also takes out powers of attorney for his wife, the Field-Cornet or Assistant Field-Cornet must certify that the statements of the holder are correct. Should he doubt the truth of the statements of the holder of the powers of attorney, he can demand that the truth of the powers of attorney should be confirmed under oath.

Verification of powers under oath.

Not more than twelve claims may be pegged under power from one person.

On no power of attorney from one person shall more than twelve claims be pegged off.

Every male person of sixteen years and upwards can peg twelve claims.
Unmarried female persons of full age, and widows may peg off twelve claims.

Every male child of sixteen years or more has the right to peg off, or cause to be pegged off, twelve claims, provided the Field-Cornet or Assistant Field-Cornet of his ward certifies that he is entered on his Field-Cornet's list, is known to him as a resident of his ward, and obedient to the laws of the land.

Persons who do not pay personal taxes must produce certificate that their father, guardian, or husband has paid his.
Certificate to be produced by persons who do not pay taxes and are not assisted by father, &c.

Unmarried female persons of full age and widows shall also have the right to peg or cause to be pegged off twelve claims. All persons mentioned in this article who do not pay any personal taxes under the laws of the land shall have to produce a certificate that their father, guardian, or husband has paid his personal taxes for the current year. Persons mentioned in this article who are not subject to personal taxes, and are also not assisted by father, guardian, or husband, shall have to produce a certificate to that effect from their Field-Cornet or Assistant Field-Cornet for the purposes of this article.

The Field-Cornet or Assistant Field-Cornet shall for the signing of the certificate and the inspection of his books attach a shilling stamp on each certificate, to be paid by the holder of the power of attorney, whereof 6d. shall be returned to him monthly by the Government for each certificate. The Field-Cornet or Assistant Field-Cornet must keep a proper register of the certificates issued, and shall render monthly to the official of his district concerned a certified list with his account. The Field-Cornet or Assistant Field-Cornet who renders incorrect statements or accounts, certified as correct and true, shall be punished with a fine of not less than £5, and no more than £25, and in default with imprisonment not exceeding three months, with or without hard labour.

Stamp of 1s. on Field-cornet's certificate.

Field-cornet wilfully certifying falsely.

(c) Male persons of full age residing outside the country may cause to be pegged off, and thereafter hold, one digger's or prospecting claim, by means of a holder of a power of attorney, provided the power of attorney be notarially drawn up and duly legalised, and this power of attorney, in addition to the ordinary stamp of 1s. 6d. per claim, carry a stamp of this Republic of one pound (£1) sterling.

Male persons of full age residing outside the country may peg a claim by means of power-holder.

Power to be notarially drawn and legalised.

Stamp of £1.

This stamp shall have to be renewed yearly, and is valid for that year for every power of attorney used by the same person on any goldfield of this Republic.

To be renewed yearly.

The holder of the power of attorney can obtain a receipt or duplicate receipt for the same from the official who cancelled the stamp on the first power of attorney of that power given for that year.

Receipt.

No women or minors residing outside the country shall be able to cause digger's or prospecting claims to be pegged off by a holder of a power of attorney.

Women and minors residing outside the country cannot peg claims by means of power-holders.

An error in amalgamating, *i.e.* a *bona fide* mistake made with the advice of the Mining Commissioner in amalgamating 36 claims in three blocks of 12 each, for which the same 12 names were used in each case, whereas there were really 36 powers of attorney, did not deprive the syndicate of its right.

Madeline Reef Syndicate vs. *Coetzee and others* (C.L.J., Vol. V., p. 16; Official Reports, I. 1. pp. 134, 135), decided on the 13th January, 1888, *coram* Kotzé, C.J., and Esselen and Jorissen, J.J.

If the powers of attorney by virtue of which a man obtains licences to peg off claims are false, the licences are invalid, and the pegging gives no title. It was proved that the powers of attorney relied on by the defendant Croft were not signed in the presence of the witnesses, and that some had not been signed by the alleged principals at all. Held, that the licences granted to Croft were invalid, and that he had no title to the claims. The powers of attorney ought to be signed by the principals in the presence of the witnesses, or the principals ought to acknowledge their signatures to the witnesses. *Nigel Coy.* vs. *Croft and the Beatrice Syndicate*, decided on the 12th of April, 1890, *coram* Esselen, De Korte, and Ameshoff, J.J. (unreported).

Where, in pegging off claims, a certain number of them are pegged off under invalid powers of attorney, and a third person, hearing of this, pegs off afresh a number of such claims, equal to the number of the invalid powers, the Court will not grant such second pegger a rule *nisi* preventing the first pegger from alienating the claims pegged off afresh, on which licence monies are being regularly paid by the latter, pending an action for declaration of rights, unless he can show that the claims thus pegged off again by him are precisely those which were originally pegged off under the faulty powers. *Sylvester* vs. *Jacobs* (official Reports, I. 2. p. 20), decided on the 26th of April, 1894, *coram* Ameshoff, J.

66. Articles 63 to and including 65 shall not be applicable as regards powers of attorney to alluvial goldfields, where a person shall not be able to peg off more than three claims in his own name.

Articles 63 to 65 not applicable to alluvial goldfields.

One claim in person's own name.

Right to purchase.

67. Every licenced digger shall be entitled to hold under his licences on each proclaimed farm three alluvial claims and as many reef claims as provided in Articles 63, 64 and 65 of this law. He shall also be at liberty to purchase a number of claims from other licensed claimholders: he shall in that case have to hold a digger's licence for each claim, unless the Mining Commissioner considers a prospecting licence sufficient for the time being.

Digger's and prospecting licences.

When joint claim-holders of amalgamated block may peg one more claim each.

When the joint claimholders of an amalgamated block have had their respective shares registered for the purpose of this article with the Mining Commissioner or responsible clerk concerned on payment of five pounds (£5) sterling, each one of them shall be allowed to peg off afresh one claim or to give a power of attorney afresh for that purpose.

The same power of attorney may be used only once and shall be returned on issuing the licences to the licence holder, after cancellation of the stamps, noting the number of first licence granted thereon, as also the number of the register of registration, and noting on the power of attorney that it may not be used for any other claim.

Discoverer of payable gold reefs on proclaimed diggings entitled to twelve claims without powers of attorney.

To the discoverer of payable gold reefs on and in proclaimed public diggings and on prospecting fields twelve claims shall be awarded without powers of attorney over and above the twelve claims allowed him in subsection *b* of Article 65, but subject to an impost of 6s. 6d. per claim for the first month and after that the ordinary licence.

Double licence-money for claim containing both quartz reef and alluvial gold.

68. If on a quartz reef claim alluvial gold or *vice versa* on an alluvial claim quartz reef gold is also found and worked, a double amount of licence money shall be paid for such a claim.

Registration of searcher's claims to be effected by Mining Commissioner or Landdrost.

69. The registration of one or more searcher's (prospector's) claims shall be effected by a Mining Commissioner when the discovered precious metal or precious stone-bearing ground is situated within the boundaries of his field, or otherwise by Landdrost of the district wherein the said ground is situated.

Amalgamation of claims.

70. Diggers or prospectors, being holders of adjoining claims to the number of not more than twelve, who wish to amalgamate their claims, may cause the said claims to be registered as amalgamated, with all the water-rights belonging to such claims, on application at the office of the Mining Commissioner or responsible clerk concerned.

Share of each digger to be described.

On registration the share of each digger or prospector must be clearly and distinctly described.

On the granting of the certificate of such amalgamation, under a stamp of two pounds (£2) sterling, the holders of the amalgamated claims shall enjoy the usual privileges as per regulations thereanent on the fields where they are situated.

Amalgamation does not lapse through licences being changed.

The amalgamation of claims does not lapse through licences being changed.

See the case of the *Madeline Reef Syndicate* vs. *Coetzee and Others*, referred to under Article 65.

Stamp on application for mijnpacht, &c.

71. Every application for a "mijnpacht," right to lead water, protection, amalgamation of claims, and other similar applications, must bear a stamp of the value of five shillings.

72. Pegging off claims between sunset and sunrise is forbidden, as also pegging off on Sundays and Christian holidays recognised by law.

Pegging between sunset and sunrise forbidden. Also on Sundays, &c.

Pegging off at such forbidden times shall be considered illegal, shall not be recognised and shall give no rights whatever.

The plaintiff alleged that the defendant pegged off certain claims between sunset and sunrise, and that he, believing the defendant to have no legal title, pegged off the claims on a subsequent date. The Court granted absolution from the instance. *Tinling* vs. *Lang*, decided on the 26th of November, 18[illegible] *coram* Ameshoff, Jorissen and Morice, J.J. (unreported).

73. Every owner of a reef claim, or of an amalgamated block of reef claims, or of a digger's claim or block of claims shall be obliged to deposit with the Mining Commissioner, Responsible Clerk or Landdrost concerned, within one month after the date of the first licence, a surveyor's diagram, or if there be no surveyor, a sketch plan of the situation of the claims or blocks, and signed by the person who made the survey. Such claims may not be transferred without a proper land surveyor's diagram. For alluvial digger's claims it shall be sufficient to deposit a sketch plan only so long as they are not transferred, in which case a surveyor's diagram is obligatory. The stipulations of the foregoing paragraph shall not be applicable to the unhealthy gold localities.

Diagram or sketch of situation of claims to be deposited with Mining Commissioner within one month.

Transfer of claims cannot take place without surveyor's diagram.

Sketch sufficient for alluvial claims unless transferred.

74. Every holder of a reef claim or an amalgamated block of reef claims under digger's licence shall be obliged within six months after the date of the first licence to to deposit with the Mining Commissioner, Responsible Clerk or Landdrost concerned approved surveyor's diagrams in triplicate of a survey of his ground, made by a surveyor, and compiled on such a scale as shall be fixed by the Surveyor-General.

Deposit within six months with Mining Commissioner of diagrams of claims under digger's licence.

Such survey must show all works, buildings, tramlines, roads, footpaths, machine stands and the local conditions of the ground, and must be connected by trigonometrical or other survey with such fixed points or permanent beacons of another survey as the Surveyor-General shall determine, or in such other way as the Surveyor-General shall deem sufficient to define the place accurately. These diagrams shall be examined and approved at the office of the Surveyor-General. The Surveyor-General shall, before the diagrams are signed by him, make known by a notice in the *Staatscourant* that these diagrams have been sent in and that they will be signed by him if within the time of one month from the date of publication no protest is lodged against the same.

Nature of such diagrams.

Approval of by Surveyor-General.

Notice of.

When a protest is lodged the same must be proceeded with within the period of one month, failing which the diagram shall be signed by the Surveyor-General just as though no protest had come in against the same.

Protest against.

Regarding diagrams already approved under this article and hereafter to be approved, the same regulations regarding legality and cancellation of faulty diagrams shall apply as enacted in Article 109. Before a surveyor may survey claims or ground, the beacons thereof must be shown by the owner or his representative with the claim inspector of the respective fields.

The defendant syndicate sent in a diagram of claims to the Surveyor-General for his approval in accordance with the Gold Law. The plaintiff syndicate filed a protest, alleging that the said diagram comprised more than the defendant was entitled to in that it included sixteen claims belonging to it (the plaintiff). Held, that the plaintiff had not succeeding in making good its protest, and that the defendant had a better title to the said claims inasmuch as it had pegged the claims in February, 1892, while the plaintiff had pegged only in July, 1892. *Chums Syndicate* vs. *The Rand Exploring Syndicate* (C.L.J. Vol. XIII. s. 165), decided on the 7th February, 1896, *coram* De Korte and Ameshoff, J.J.

In an action for renewal of licenses for certain claims, the defendants excepted to the summons on the ground that the diagram attached to it was vague, and did not indicate the exact position of the claims. It was held that it was not necessary to attach a diagram to the summons at all, but even if it were necessary, the diagram attached was sufficiently clear. *Doyle* vs. *Leyds, N. O. and the Rand Exploring Syndicate* and *Nonpariel Syndicate* vs. *Leyds, N. O. and the Rand Exploring Syndicate*, decided on the 6th of August, 1895, *coram* Kotzé, C.J. and Jorissen, J. (unreported).

75. The provision of Article 74 shall also apply with respect to diggers' claims pegged off before the taking effect of this provision, and for these claims the period for sending in the diagrams shall be six months after the taking effect thereof.

Art. 74 shall apply to digger's claims pegged before taking effect of this law.

76. The period for sending in the diagram referred to in Article 74 may for well-founded reasons be extended by the Head of the Mining Department.

Extension of time for sending in diagram

77. When a person has more ground than he holds a licence for, anyone provided with the proper number of licences shall be at liberty to peg off afresh within the

Re-pegging of surplus ground

pegs or beacons of that person, the excess number of claims pegged off, with this understanding, however, that such newly pegged out claims must lie together and on one of the sides of the block or portion of ground, but in no case on worked places or to the obstruction of the other claim holder.

Notices to be given by re-pegger to Mining Commissioner and to holder of claims.

The second pegger is obliged, within 24 hours of such pegging off, to give written notice thereof to the Mining Commissioner or Responsible Clerk of the field concerned, as well as to the holder or holders of the claims, and he must further, within 14 days thereafter, send in to the official concerned a surveyor's diagram of the whole block of claims, showing not only the claims pegged off by him, but also the exact situation of the other claim holder, after which the Mining Commissioner may grant the excess of ground pegged to the re-pegger. From the decision of the Mining Commissioner, appeal may be entered within 14 days after judgment, to the Head of the Mining Department, whose decision shall be final.

Appeal from Mining Commissioner to Head of Mining Department.

Penalty for re-pegging ground lawfully held.

Should it appear that the second pegger has pegged out within the beacons and pegs of the holder of the claims, without these being open ground, then shall the second pegger be punished with a money fine of £100 to £500, or in default, with imprisonment according to Article 8.

Surveyors may enter on ground belonging to others.

78. Surveyors, who are engaged in surveying claims, shall have the right to enter for that purpose on another's ground, after giving notice to those entitled to such ground or their representatives, if they are on such ground, and to place there the necessary instruments, flags, etc., for the survey.

Penalty for obstructing.

Everyone who prevents them or obstructs them therein, or puts difficulties in the way of the operations for the survey, shall be punished with a fine not exceeding £25.

Surveyors must supply Head of Mining Department with copies of diagrams.

79. All surveyors shall be obliged to supply the Head of the Mining Department, through the Surveyor-General, with a copy of all diagrams which they have framed for Companies, Syndicates, or private persons, in so far as they refer to public diggings.

Penalty for not depositing diagrams.

80. (1) He who does not comply with the depositing of diagrams and sketches prescribed in Articles 73, 74, and 75 within the time fixed shall be punished with a fine not exceeding £15.

When renewal of licence postponed.

(2) If this fine be not paid within the time fixed for the purpose, the renewal of the licence shall be postponed until the fine shall be paid.

Fixing time for deposit.

(3) In the sentence a time may be fixed within which the deposit shall have to be made.

Extent of alluvial claims.

81 An alluvial claim for digging for precious metals shall be in extent 150 by 150 feet, and shall be beaconed off with clearly visible pegs and trenches at right angles in the direction of the sides.

Extent of claim for digging for precious stones

A claim for digging for precious stones shall be in extent 30 by 30 feet square.

Extent of quartz reef claim.

A quartz reef claim shall be in length 150 feet (*i.e.*, in the direction of the reef) and 400 feet in breadth, in such a way that each claim, if possible, forms a rectangle, the breadth to be taken on one or both sides of the reef, as desired.

Two central pegs

In respect of a quartz reef claim two central pegs shall be sufficient pegs for the first seven days.

Corner pegs after seven days.

After the expiration of that time, four corner pegs shall have to be substituted, and the direction indicated by beacons as prescribed by law.

Corner pegs for amalgamated claims.

In the case of quartz reef blocks of amalgamated claims four corner pegs shall be sufficient for each block, but the names of the respective claimholders in the block must be legibly marked on each peg, with the date of amalgamation.

Permission to fence in claims

Nobody shall have the right to fence in his claim or "mijnpacht" without the previous written consent of the Head of the Mining Department, who shall decide

ter consultation with the Government, and in no case shall a larger portion of the ound be fenced in than is necessary to protect the works, and to guard against structions and trouble with the workmen.

The use of barbed wire for fences or for other purposes is forbidden on proimed or prospecting fields, as also on grounds surrounded by public diggings. Barbed wire forbidden.

All fences made or to be made without permission as aforesaid shall be removed those entitled to the ground thus fenced in, and in default of this the Government all cause the same to be removed at their expense. Contraventions of this article all be punished with a fine not exceeding £25, or, on default of payment, with imisonment according to Article 8 of this law. Removal of fences put up without permission.

See the case of the *Berriman Syndicate* vs. *Simpson* in Appendix C.

82, The corner pegs or beacons of a claim shall be not less than three feet above e ground. Height of corner pegs.

These corner pegs or beacons shall be not less than three inches in diameter.

Where the nature of the ground permits, at each peg or beacon two trenches ıst be dug, which shall form a right angle at the peg or beacon, three feet long, lf-a-foot wide, and one foot deep, which trenches must indicate the direction of the undaries; moreover, the sides of a claim or amalgamated block of claims shall be own in a clear manner by trenches or piles of stones at least one half-foot high and ree feet long, and boundary beacons placed at distinct mutually visible distances, other marks. Trenches for claims.

When there is a surveyor's diagram of claims, or of amalgamated blocks of ıims, it shall be sufficient to erect the corner beacons, and to dig the furrows round e claims.

All claims and amalgamated blocks of claims must have on each corner beacon a ard at least nine inches square, on which shall be clearly and legibly written, inted, or painted, the official number to be given by the Claim Inspector, the names the mining property and the claimholder or the claimholders, the date of the ence and the date of the pegging off. Notice board on corner pegs.

When the Claim Inspector finds that any of the provisions in this Article have not en complied with, he shall have the right to inflict a fine therefor of at least two illings and sixpence and at the highest five shillings per claim. He shall give notice ereof to the owner or his representative and he shall at the same time inform the ning Commissioner thereof. Non-compliance with this provision. Duty of Claim-Inspector.

The person fined has the right to appeal within eight days to the Special Landost, should there be one, or otherwise to the Mining Commissioner; if after expiration this period fixed for the appeal, no appeal has been noted and the fine has not been id at the office of the Mining Commissioner and the beacons not brought into order, e Mining Commissioner shall issue no further licence for the claims in respect of ıich the law has been contravened, till such time as the fine shall have been paid and e beacons brought into order. Article 86 shall apply in this case. Appeal. Suspension of licence.

83. When on a public field a digger wishes to abandon his claim or claims in order peg off for himself a new claim or claims, he shall have the right to do so provided pulls out the pegs of the claims which he wishes to abandon, and puts up a notice r a week on the ground to the effect that it has been abandoned, and also gives notice the same effect to the Mining Commissioner or responsible clerk, in default of which shall be liable to a fine not exceeding £10 or imprisonment for from fourteen days three months, with or without hard labour. Abandonment of claims. Week's notice.

Public sale of abandoned claims by Mining Commissioner.

Sale of abandoned claims.

On receipt of such notice the Mining Commissioner or responsible clerk shall cause such claim or claims to be sold by public auction in accordance with Article 86.

He may, before giving out such claims, first institute an inquiry, and shall be entitled to refuse to give out such claims and to cause them to be sold by auction for the benefit of the State.

When renewal of prospecting or digger's licence shall be refused.

The renewal of a prospecting or digger's licence shall be refused by the Mining Commissioner or responsible clerk when claims have been pegged off on places where according to Articles 117 and 15 of this Law it is forbidden to search or to dig, and on places which in the opinion of the Mining Commissioner or responsible clerk are in indisputable lawful possession of others.

See the cases of the *Witwatersrand G.M. Coy.* vs. *Young, Kempin* vs. *The Mining Commissioner of Boksburg and The Modderfontein G.M. Co. and Nicolls* vs. *Leyds N.O.*, referred to under Article 15.

See also the case of *Ginsberg* vs. *The Gauf Syndicate and the Mining Commissioner of Boksburg* in Appendix C.

When damages are claimed on the ground of the refusal to issue licences for ceded claims, the deed of cession must be attached to the summons. *Chumleigh Syndicate* vs. *The State and Rand Exploring Syndicate* (Official Reports I., 1, p. 45), decided on the 2nd of February, 1894, *Coram* Kotzé, C. J. and Ameshoff and Morice, J. J.

Debris from claim must not be a nuisance to other diggers.

84. No holder of a reef claim situated higher up shall have the right to allow the débris from his claim to be a nuisance to another or to obstruct him who is working lower down.

Storage Stands (bewaarplaatsen).

In case holders of claims require ground for depositing tailings or other débris from the batteries, for placing sumps or pans, dams instead of pans or reservoirs, or for storing quartz, such ground may be given to them on their own claims, after written application has been made therefor by the Claim Inspector and a surveyor's diagram has been handed in at the office of the Mining Commissioner or responsible clerk concerned, which officials may grant this application if there are no well-founded objections thereto. For this no extra licence need be paid. This provision shall not apply to those storage stands which have already been given out under licences at 2s. 6d.

Plans in triplicate.

The regulations laid down in Article 102 with regard to the non-payment within the proper time of the licences on specially registered claims are also applicable to this Article. Applicants must, within a month after award, hand in plans in triplicate to the said officials, framed as indicated in Article 73 of this Law.

Mining Commissioner decides where prospecting licences and where digger's licences necessary.

85. On proclaimed fields the Mining Commissioner may determine where prospecting can be carried on under prospecting licences, and also determine on which places digger's licences must be taken out.

Mining Commissioner has right to change digger's licences to prospecting licences.

The Mining Commissioner shall have the right, if application be made therefor, to change the digger's licences, under which claims are held, to prospecting licences, after due investigation, and after having received the report of the claim inspector thereanent.

Mining Commissioner can order digger's licence to be taken out instead of prospecting licence.

On finding that anyone is holding ground under prospecting licence, and is not properly working the same to the satisfaction of the Mining Commissioner, with the object of finding precious metals or precious stones, the Mining Commissioner shall have the right to order him to take out a digger's licence.

Working of one claim is sufficient.

Except where claims previously held under digger's licence.

The Mining Commissioner shall in this matter have to take into consideration that when claims have been amalgamated, the working of one of the thus amalgamated claims at a time must be considered as sufficient, which regulation, however, shall not be applicable to claims which were previously held under digger's licence.

The licence holders may, in case they are dissatisfied with such decision of the Mining Commissioner, appeal within thirty days to the Government, through the head of the Mining Department, after which the Government shall finally decide on the latter's report. Every Landdrost may, except on the proclaimed fields and the prospecting fields where a Mining Commissioner has been appointed or assigned, issue prospecting licences within the boundaries of his district.

Appeal to the Government.

When Landdrost may issue prospecting licences.

See the case of the *Henry Nourse Gold Mining Coy.* vs. *Eland* in Appendix C.

86. If a digger's or prospecting licence expires without being renewed on or before the day of expiry, the claim for which the licence was issued may not be pegged off by another person, but lapses to the Government, and such claims shall be dealt with as follows :—

When claims lapse to Government.

During three months after such day of expiration the former holder of such claims shall be entitled to recover his rights on these claims by taking out new licences therefor, on payment of extra licence monies equal to the amounts of the arrear licence monies. If, however, the new licence be taken out by the former claimholder within fourteen days after the day of expiration, only the licence monies for these days need be paid. After the expiration of the said term of three months, the head of the Mining Department must sell or cause these claims to be sold by public auction. The head of the Mining Department shall, however, be obliged, before such sale takes place, to give back the claims concerned to the original holders thereof, if no further questions exist, on the additional payment of all arrear licence monies, besides the expenses incurred therewith.

Former holder can recover rights within three months.

If licence renewed within fourteen days.

Claims sold after three months.

Restoration of claims before sale to original holders on payment of arrears and expenses.

If the claims are not sold by public auction, the head of the Mining Department shall be obliged to declare 30 days after date of the sale such claims open ground, when the ground may be pegged off by the public. Of such public sale a notice shall be published in the *Staatscourant* at least 14 days previously.

If not sold within one month after lapse of said period of three months, they may be pegged off again.

These regulations shall be applicable to all claims which have lapsed at the time of the taking effect of this law.

On the 2nd of September, 1887, the plaintiff pegged off certain claims. In October, 1887, these claims lapsed to the Government. On the 14th of January, 1890, the plaintiff bought the claims from the Government under Article 61*b* of Law 10 of 1887. Between October, 1887, and January, 1890, the defendants pegged off the claims and got their licences renewed from time to time. Held (per De Korte, Ameshoff and Jorissen, J.J.) that the Government was not bound to sell the claims, but could allow them to be re-pegged as open ground ; that therefore the defendant's title was better than the plaintiff's, the defendant's pegging being prior to the plaintiff's purchase. *Edwards* vs. *The Britannia Coy.*, decided on the 1st of September, 1890 (unreported).

N.B. Article 61*b* of Law 10 of 1887 is spoken of, but it is really Article 37 of Law 10 of 1887, which modifies Law 8 of 1885 by the insertion of Articles 61*a* and 61*b* between Articles 61 and 62.

In the case of *Doyle and others* vs. *Leyds, N.O., and The Rand Exploring Syndicate* (C.L.J. Vol. XIII., p. 157) decided on March 19th, 1896.

Ameshoff, J., with whom Jorissen, J. concurred, said "Article 25 of Law 9 of 1888 is imperativ It compels the Government to sell claims in such a way as it pleases it is true, when the licences paid for the same have lapsed without being renewed." Now Article 25 of Law 9 of 1888 is the article which modifies in some unimportant details Article 61*b*, as laid down by Article 37 of Law 10 of 1887, referred to above. The remarks, therefore, of Ameshoff, J. in *Doyle's* case are hardly consistent with the judgment in the case of *Edwards* vs. *the Britannia Coy.*, abovementioned.

The plaintiffs alleged that they pegged off certain four claims on the 22nd of June, 1889, that the licences were renewed on the 22nd of July, but that renewal was wrongfully refused on the 22nd of August, though licence monies had been properly tendered. The second defendant alleged that the ground in question was pegged by one Gebhardt on behalf of Schweizer in June, 1889, before the pegging of the plaintiffs took place; that subsequently Schweizer obtained the right to lay out all the ground which he held as claims, including the ground in dispute, as a township, and that it (*i.e.*, the second defendant) obtained all Schweizer's rights by cession. The second defendant further alleged that the plaintiffs had abandoned their claim to the claims, and that they were estopped by their long silence of four or five years from asserting any claim to the ground. Held, by the majority of the Court (Morice J. diss.), that the plaintiffs must succeed.

That the plaintiffs pegged on open ground in June, 1889, and that the renewal of the licences was wrongfully refused by the Mining Commissioner in August.

That as the Mining Commissioner renewed the licences in July and refused the renewal in August, the onus of proving the legality of the refusal lay on him, and that in this he had failed.

That no *animus relinquendi* on the part of the plaintiffs had been proved and that they were not estopped from asserting their claim. The cases of *Walker* vs. *Leyds, N.O., and the Rand Exploring Syndicate* and *Judd* vs. *Leyds, N.O. and the Rand Exploring Syndicate* were distinguished. Held (per Morice, J. diss.), that the defendants ought to succeed. That when a person, who lays claim to claims, for a long period of years neither tenders licence monies nor takes legal steps, and when others are thereby prejudiced, the presumption is that such person has abandoned his right to the claims. That this presumption arises in this case and has not been rebutted. *Doyle and others* vs. *Leyds, N.O., and the Rand Exploring Syndicate* (C.L.J., Vol. XIII., p. 157), decided on the 19th March, 1896, *coram* Amesbhoff, Jorissen and Morice, J.J.

See also the case of *Schweizer's Claimholders Rights Syndicate* vs. *Rand Exploring Syndicate* in Appendix C.

With reference to the lapsing of claims to Government on non-payment of licence monies the case of *Moolman and Coetzee* vs. *Schaffe and Drury* (decided on the 2nd of March, 1887, *coram* Kotzé, C.J., and Esselen, J.; see C.L.J., Vol. V., p. 13) is of historical interest. It was there decided that under the Gold Law of 1885 the right to a claim lapsed on the expiry of the licence through non-payment of the licence monies, and that the ground on which the claim had subsisted could be pegged off as a claim by a third party. The law was, however, altered by a Volksraad Besluit, followed by Article 61*b* of the Gold Law, as amended by Law 10 of 1887, Article 37, which distinctly says that lapsed claims may not be pegged off again by a third party.

See also the case of *Underwood* vs. *Barnato Bros. and the Mining Commissioner of Boksburg* in Appendix C.

Protection for reef or alluvial claims during commando.

87. He who is on commando or has personally responded to a call to maintain order and peace shall *ipso facto* have protection for his claim or claims (whether reef or alluvial) during the time that he is on commando or such special service, and, in the case of commando, also for thirty days after his release from such commando, without its being necessary for such protection to be especially granted, provided he gives notice of such call to the Mining Commissioner concerned.

Notice.

No licence monies to be paid.

During the time of this protection no licence monies on the claims need be paid.

Exemption from payment of claim licences in case of unhealthiness of district

88. Provisional exemption from the payment of claim licence monies (whether reef or alluvial) may be granted in case of sickness or owing to the unhealthiness of the district, provided that work be done on such claims before and at the time of the application for protection, such as in the opinion of the Mining Commissioner may be considered sufficient to justify the granting of exemption. Every such case of exemption shall be sent as soon as possible by the Mining Commissioners, with a full report, to the Head of the Mining Department, for final approval or rejection by the Government, who may grant or refuse confirmation of the exemption.

Duration.

The duration of the time of exemption shall be fixed according to the nature of each case, while nothing shall be charged for granting the same.

Claims belonging to estate of deceased person.

89. Claims belonging to the estate of a deceased person shall not lapse unless the executor fails to comply with the provisions of the law for thirty days after receipt of his appointment or the confirmation thereof by the Orphan Master.

Assets of the estate.

On further regular compliance with the provisions of the law such claims shall be considered as assets of the estate, and as such be dealt with according to the provisions of the Orphan Law.

Licence holder cannot dispose of surface of ground.

90. The possession of a licence for a claim does not include the right of disposing of the surface of the ground, which right of disposal the Government reserves for itself for the purpose of defining roads and other works, etc., without, however, obstructing the working of the claim.

Licence to dig to be produced on demand.

91. Any person who digs for gold, precious stones, according to Article 2 of this law, be it on his own, be it on another's account, must, if such is desired by an official

qualified thereto by the law or the Government, produce his licence, in default whereof he shall be punished with a fine of £1 to £3, and in default of payment with imprisonment not exceeding fourteen days.

92. Every licenced digger or prospector shall be entitled to have a stand on his claims for his dwelling, for which stand he need pay no licence. Licensed digger entitled to a stand for his dwelling. No licence payable

93. Each white person who desires to erect a store, or houses, or dwelling on a proclaimed or prospecting field shall make application to the Mining Commissioner for one or more stand licences, Where five stands are already given out next or near each other, the Mining Commissioner shall not have the right to give out stands within a distance of 300 yards. Stand licences on proclaimed field.

Each licence shall give the right to a piece of ground 50 by 50 feet in a locality approved of by the Mining Commissioner, but not so as to interfere with mining operations on a locality known to contain precious metals or precious stones.

The Head of the Mining Department, in conjunction with the Government, shall, however, have the right to give out under a licence stands of greater dimensions where he considers such necessary.

Such stand licence, whether monthly or yearly at the option of the applicant must be renewed either monthly or yearly. Renewal.

The price for a stand licence on proclaimed ground of 50 by 50 feet shall be 7s. 6d. per month. Price of stand licence on proclaimed ground

When the payment of stand licences on proclaimed ground is three months in arrear, the Mining Commissioner shall demand payment thereof in the *Staatscourant* and in a local paper, if one exists. If one month after publication of the demand, compliance therewith is not made, the Head of the Mining Department shall have the right to declare such stands lapsed. Notice of lapse of stand licence after three months non-payment. Lapse of stand licence one month after notice.

The price of a stand licence on approved stand townships on Government ground shall be: For stands of 50 by 50 feet, 7s. 6d.; and for stands 50 by 100 feet, 11s. 3d. per month. Price of stand licences in townships on Government ground.

In case a stand licence is not renewed at the proper time, the holder of the stand licence shall have the right within a period of three months thereafter, to get his stand back under a new licence on the additional payment of all arrear licence monies and as a fine a sum of money equal to the arrear licence monies. In case of non-renewal, holder of stand licences entitled to recover stand within three months.

See the case of *Curtis N.O.* vs. *The Mining Commissioner of Johannesburg and the Johannesburg Township Co.* in Appendix C.

94. Where on private proclaimed farms stands adjoining each other are given out under licence, so that they together in the opinion of the Government form a town, it shall have the right to impose a special tax of two shillings and sixpence per month per stand. The payment thereof shall take place at the same time as that of the monies due for stand licences, on which the receipt thereof must be noted. When stands form a town.

If this tax on a stand is in arrear, the renewal of the licences may be refused for that stand. When renewal of licence may be refused.

95. Transfer and registration of portions of stands may take place provided an approved surveyor's diagram of such portion be deposited in the office, where the registration must take place. Such a portion of a stand shall be considered and registered as a separate stand, for which a separate stand licence shall be due as follows: For portions of stands 50 by 50 feet, 2s. 6d. per month; and for portions of stands of 50 by 100 feet, 3s. 9d. per month. On such a portion of a stand the full tax of 2s. 6d., mentioned in Article 94, must be paid. Transfer of portions of stands

Registration of transfer of portions of claims at office.

Registration of transfer of portions of claims may take place, provided an approved surveyor's diagram of such a portion is deposited in the office where the registration is to take place. Such a portion of a claim shall be regarded and registered as a separate claim.

Registration of transfer of claims and stands at office of Mining Commissioner.

96. The registration of transfer of claims and stands and portions of claims and portions of stands shall take place at the office of the Mining Commissioner or Responsible Clerk concerned, while the same stamp dues shall be levied as in terms of Law No. 5, 1882.

Stamp dues.

Machine stands obtainable on claims gratis, and on ground not containing precious metals, &c., on payment of 2s. 6d. per month.

97. The company or the person who imports machinery for the purpose of working one or more claims shall, over and above his ordinary stand, have the right to acquire stands in extent 150 feet square on his claims (free of cost) and on a locality which is not known to contain precious metals or precious stones under licence at 2s. 6d. per month, for the purpose of erecting the machinery on, where, that is to say, this is practicable without encroaching on the rights of others.

Coloured person may not be licence-holder.

98. No coloured person may be a licence-holder or in any way be connected with the working of the diggings, except as a workman in the service of whites.

Section 6. Special Registration.

Special registration of claims.

99. Each digger's claim or each amalgamated block of digger's claims may be specially registered in the manner hereunder set forth.

Application for special registration.

100. Persons who desire to have their claim or block of claims specially registered must make application therefor to the Mining Commissioner concerned, as far as possible in the form hereafter prescribed.

Diagram.

This application must be stamped as provided by Article 71, and must be accompanied by a diagram framed by an admitted surveyor. The application with the diagram shall lie for the inspection of the public for one month at the office of the Mining Commissioner.

Inspection for one month.

Day of hearing fixed.

The Mining Commissioner shall thereupon issue a notice to the applicant, as far possible in the form hereafter prescribed, wherein day and the date of hearing shall be fixed (between the date of publication of notice and the date of hearing there must be a period of at least one month.)

Publication of notice.

This notice shall be published once in the *Staatscourant*, and twice in a local newspaper, should there be one.

Where no objection, application granted.

If before the said hearing no notice of objection has been given to the Mining Commissioner and the applicant, and for the rest the law has been complied with, the Mining Commissioner may grant the application, and the special registration shall then take place as is further set forth herein. A notice of objection shall bear a stamp of five shillings, according to Article 71. When before the said hearing such a notice of objection shall be received by the Mining Commissioner the special registration shall for the time being not be granted.

Stamp.

When objection is made.

Legal proceedings within ten days of notice of objection.

Within ten days after the notice of objection the person who objects must take legal proceedings against the applicant to have his objection declared valid. This declaration of validity may be sought by application. The official charged with the civil jurisdiction on the field shall have jurisdiction herein, and he shall give such an order regarding the special registration as he shall deem necessary.

Official charged with civil jurisdiction shall have jurisdiction.

Special registration in separate register.

If the application for special registration of a claim or claims is granted, such registration shall be effected in a separate register to be opened for the purpose, the form of which shall be prescribed by the head of the Mining Department.

A certificate of such special registration shall be issued as far as possible according to the form hereafter prescribed. Certificate of special registration.

This certificate shall bear a stamp of a value calculated at the rate of ten shillings per claim. Stamp.

No certificate shall be issued unless all monies due on the claim or claims have been paid.

101. The Mining Commissioner shall not be permitted to allow specially registered claims, on which a bond has been passed, to revert so as to be held under prospecting licences. Specially registered claims cannot revert so as to be held under prospecting licences.

102. Article 86 is not applicable to specially registered claims. Art. 86 not applicable to specially registered claims.

When the payment of digger's licences for such claims is six months or more in arrear the Mining Commissioner shall demand payment thereof in the *Staatscourant*, and, if considered desirable by the Government, also in a local newspaper. When payment of digger's licences on specially registered claims six months in arrea.

The Mining Commissioner shall be obliged to make this demand immediately after the expiration of the said six months and at the same time to give written notice thereof to the bondholders per registered letter. Demand.

If within three months after the date of publication of the demand the payment of all monies due has not followed, the claim or claims may be publicly sold by the Government in such a way as shall be decided upon by it. If no payment within three months after demand, claims sold.

The date of sale shall be published in the *Staatscourant*, and, if deemed advisable by the Government, also in a local newspaper, at least fourteen days beforehand. Publication of date of sale.

Out of the proceeds all monies due to the Government shall first of all be paid. In such monies shall be reckoned an amount of £2 10s. per claim as a fine and for costs. If the claims realise more than the amount of the fine and expenses, half of the remaining amount shall be paid out to the owner of the farm and the other half be deposited in the State coffers. Disposal of excess proceeds of sale.

103. Article 102 shall shall also be in force in regard to digger's claims or amalgamated blocks of digger's claims for the special registration of which application has been made in terms of Article 100, but provisionally and only so long as progress is made with the application, according to the provisions and within the terms laid down in Article 100, until such application shall be granted or refused. Article 102 applicable to digger's claims for the special registration of which application has been made.

104. A mortgage can be created on specially registered claims just as on immovable property. The same regulations shall hold good in this respect as in the case of mortgage of immovable property, such as, *inter alia*, with regard to the rights of creditors and sales in execution, also as regards the drawing up of hypothecation and mortgage bonds and the persons entitled to do so. The stamp dues, as laid down by the law in the case of fixed and immovable property, shall also be applicable here. Mortgage on specially registered claims. Stamp dues.

105. Stands on proclaimed township or townships approved by the Government may be specially registered in the same way as hereinbefore prescribed in respect of digger's claims; no publication of a notice shall, however, be necessary and the Mining Commissioner may in this case immediately grant the special registration and issue a certificate thereof if he has no objections against the same. Special registration of stands on proclaimed ground. No notice.

106. With regard to the payment of the licences on specially registered stands the rules prescribed in Article 102 with respect to specially registered claims shall apply. Licences on specially registered stands.

107. A mortgage may be effected on specially registered stands under exactly the Mortgage on specially registered stands.

same provisions as herein laid down with respect to mortgage on specially registered claims.

Stands on a proclaimed gold-field, being leases *in longum tempus* for 99 years, partake of the nature of immovable rather than movable property. A mortgage of such stands, therefore, in order to be good against the debtor's creditors, must be effected, like any ordinary mortgage of immovable property, *coram lege loci*. The mere deposit of the title deeds with the intended mortgagee is not sufficient. *Collins, N.O.*, vs. *Hugo and the Standard Bank* (C.L.J., Vol. X., p. 344), decided on the 16th of August, 1893, *Coram* Kotzé, C.J., and De Korte and Ameshoff, J.J.

N.B.—Article 107 of this Law corresponds with Article 52*h* of the Gold Law as introduced by Article 20 of Law 9 of 1888.

Section 7. "Bezitrecht" (Right of Possession).

"Bezitrechten" indisputable.

108. All "bezitrechten" granted according to law, shall be indisputable, and cannot be contested in law, unless they have been obtained through fraud on the part of the possessor thereof.

Diagram of developed diggings.

109. The Government shall have the right, either after consultation with or on the recommendation of the head of the Mining Department, to instruct the Surveyor-General to cause worked or developed diggings or portions thereof, after notice of at least six weeks, in the manner defined in Article 110, second paragraph, to be surveyed in such a way that every warer-right, "mijnpacht," watercourse, digger's claim, or block of diggers' claims, or any other right or privilege necessary for the development of the diggings, shall be properly delineated on a diagram, and further, be indicated on a general compilation diagram or plan.

Approval of by Surveyor-General.

These diagrams shall be approved by the Surveyor-General in accordance with Article 74. When these diagrams are once approved and signed, no objection to the boundaries established by this survey shall be taken into consideration by any Court. Should it appear that such a diagram has been incorrectly framed the same shall be amended or cancelled by an order of the High Court, and a new diagram shall be approved in the usual way. Such cancellation shall be effected in accordance with Law No. 9, 1891, Articles 6 and 7 (General Survey Act), by the Surveyor-General, at the request of the owner.

Cancellation.

Notice calling for objections.

110. As soon as possible, after the survey, the Mining Commissioner concerned shall issue a notice containing the name of the owner or possessor of the rights, the description of the rights, the number of the diagram relating to the same, and also calling upon all persons who wish to make objections against the same.

Publication for three months.

This notice shall be published for a period of three months in the *Staatscourant*, and such notice shall further be posted up at the office of the Mining Commissioner within whose jurisdiction the ground is situated, or at the office of the nearest Landdrost, and the diagram or diagrams relating thereto shall, during such period, lie for inspection at the office of the Mining Commissioner concerned.

Inspection of diagram.

When no objections.

111. If within the appointed time no objections are filed the Mining Commissioner shall issue to the person entitled thereto the diagram approved by the Surveyor-General, in accordance with Article 74, registered and signed, besides a certificate of "bezitrecht," in the form to be prescribed by the head of the Mining Department.

Certificate of "bezitrecht."

Hearing of objections

112. When objections are filed with the Mining Commissioner he shall fix a day on which the objection or case shall be heard by him. The Mining Commissioner shall decide, awarding the rights to the person who, in his opinion, is entitled to the same.

Action to be instituted within three months after decision of Mining Commissioner.

If one of the parties is dissatisfied with this decision he shall be obliged, within three months after the date of the decision of the Mining Commissioner, to institute an action in the High Court or Circuit Court, in default of which the decision of the

Mining Commissioner shall be considered as final, and the diagrams and the certificate of "bezitrecht" shall be issued in accordance with his decision.

113. The Mining Commissioner shall issue diagram and certificate of "bezitrecht," in case of an action, in accordance with the judgment of the Court.

Certificate of "bezitrecht" in accordance with the judgment of the Court.

114. Parties interested are obliged, within two months after notice from the Mining Commissioner, to take out duplicates of the approved diagrams, on payment of a sum to be fixed by the Government in proportion to the expenses incurred by the Government in connection therewith.

Duplicates of approved diagrams.

If the parties interested neglect to take out these diagrams within the two months hereinbefore mentioned, they shall incur a penalty not exceeding £10. Notice shall be given to them by the Mining Commissioner that on failure to take out diagrams within one month after the date of the infliction of the fine, the renewal of their licences or confirmation of their rights may be refused.

Penalty.

Renewal of licences may be refused.

115. A "bezitrecht" includes all rights obtained under the grant, contracts, or licences, and may be duly transferred, wholly or in part, by those who have acquired such right, and this "bezitrecht" shall be indisputable.

Transfer of "bezitrecht."

Indisputable.

116. Every person or company possessing a claim, block of claims, water-right, truckways, machine stands, or watercourses, can make application to the Mining Commissioner in writing, properly signed, and accompanied with an approved surveyor's diagram, or, if possible, with a surveyor's diagram of the claims or water-right, etc., requesting an investigation of his or their claims to a certificate of "bezitrecht."

Application in writing for certificate of "bezitrecht."

It shall thereupon be lawful and obligatory on the Mining Commissioner to institute an enquiry concerning such claims. Where it shall appear that the formal legal proof of "bezitrecht" is defective owing to:—

Enquiry.

When formal legal proof of "bezitrecht" defective.

(*a*) Transfer not having been passed; or

(*b*) Any defect in the competency or the authority of any person who may have given transfer, or may have pretended to give transfer; or

(*c*) The death or absence of the person in whose name the rights in dispute may be registered; or

(*d*) The inability, for any other reason, of the holder in possession of such property to obtain a certificate of "bezitrecht" in the manner hitherto prescribed by law; or

(*e*) The original acquisition of claims through faulty or false powers of attorney or otherwise, provided the person who makes the application for the "bezitrecht," or who holds it, shall not have been a party to the making of such a false power of attorney, and is a *bona fide* possessor;

Then the Mining Commissioner shall have the right to issue a certificate of "bezitrecht" signed by him to such applicant.

Before the issue of such certificate of "bezitrecht," however, it must first be shown that the applicant is in peaceful possession and enjoyment, and entitled to claim the rights for which he has made application.

Applicant must be in peaceful possession.

And whether or no the right of the applicant is clear, the Mining Commissioner shall not immediately issue a certificate of "bezitrecht" to him, but shall publish a notice asking for objections to the issue of such certificate of "bezitrecht," to be made within one month from the date thereof.

When right not clear.

Notice calling for objections.

Publication.

Contents.

Such notice shall be published three times in the Dutch language in the *Staatscourant* and at least once in a local newspaper, should there be one, and shall indicate as clearly as possible the situation of the property, the nature of the rights claimed in respect thereof, the name of the person who makes the claim, and in case any other person is registered as the holder, the name of such person.

When no objections.

In case no objections are filed within such period of three months, the decision of the Mining Commissioner shall be final.

When objections filed.

In case objections are filed, the Mining Commissioner as such shall decide concerning the same.

In case objections are filed the procedure shall be in accordance with the provisions of Article 112.

Stamp duty.

On a certificate of "bezitrecht" for claims, or blocks of claims and machine stands a stamp of five shillings per claim and machine stand must be paid and on other certificates of "bezitrecht" a stamp of ten shillings shall be placed on each certificate.

Section 8. Undermining Rights.

Where prospecting and digging is prohibited.

117. Prospecting and digging is prohibited on or in towns, villages, stand villages public squares, streets, roads, railways, burial grounds, erven stands, locations, town commonages, gardens, storage sites, machine stands, water-rights, and places where tailings are heaped up, and such grounds as in accordance with Articles 15 and 16, may be pointed out by the Mining Commissioner.

See the cases of *The Witwatersrand G.M. Coy.* vs. *Young*, referred to under Article 15, *Kempin* vs. *The Modderfontein G.M. Coy. and the Mining Commissioner of Boksburg*, and *Nicolls* vs. *Leyds, N.O.*, referred to under Article 15.

See also the case of *Ginsberg* vs. *The Gauf Syndicate and the Mining Commissioner of Boksburg* in Appendix C.

Grant of undermining rights.

Except on burial grounds.

118. The Government shall, however, be at liberty to award undermining rights in accordance with Article 117 of this law and in accordance with regulations drawn up by the head of the Mining Department, approved by the Government and confirmed by the Second Volksraad, except under burial grounds.

Enquiry by Commission.

119. These rights shall be investigated by a Commission, consisting of the head of the Mining Department and two impartial persons to be nominated by the Government, whose task it shall be to institute enquiries in such cases on the gold-fields and assist Government with their advice regarding underground mining.

Regulations to be confirmed by Second Volksraad.

The Government shall thereupon decide, but in no case shall action be taken herein before the regulations mentioned in Article 118 of this law shall have been confirmed by the Honourable Second Volksraad.

To whom granted.

120. Such rights shall be granted :—

Holder of stands.

(1). To the holder or possessor under this law of *bona fide* stands on which buildings stand, machine stands and water-rights.

Holder of surface right.

(2). To the person or persons, holder or holders, possessor or possessors of the surface right, where equity demands such.

Public sale of lease.

(3). In the remaining cases as follows :—On private proclaimed ground and on Government ground these rights shall be disposed of by Government by way of public sale of leases, of which timely notice shall be given in the *Staatscourant*. The working thereof shall be effected under digger's claim licence

Notice.

Of the proceeds of the lease and licence monies on private proclaimed ground half shall go to the registered owner of the farm or portion thereof or his assigns, and the remaining half to the State.

Digger's licence necessary.

Half of proceeds go to owner.

121. In the case of public squares, streets, roads, railways, and such like, a three-monthly publication and proclamation as afore-mentioned in Article 41 of this law shall take place before a right to mine underground is granted.

In case of public squares, &c., three months' notice to be given.

122. Those who have obtained written permission to mine underground from the Government, whether by way of lease or otherwise, shall, within a period to be fixed by the Government, have to deposit security to the satisfaction of the Government and the owner of the surface.

Security to be deposited.

123. This ground shall have to be paid for after the manner of claims, in accordance with Article 120 of this law, to be calculated according to the superficial area of such ground obtained for underground mining. The licences for the same must be taken out immediately after the grant.

Payment same as for claims.

Licences after grant.

124. Regulations for the safe working of such underground mines shall be drawn up by the State Mining Engineer, after consultation with the head of the Mining Department, and, after approval by the Government, the same may come into operation until the next following session of the Volksraad, after which such amendments and improvements as shall be deemed desirable by the Hon. Volksraad may be made.

Regulations for safe working.

Section 9. Water-Rights.

125. Owners and occupiers of ground along rivers or other water courses shall have no right of action against the Government or any gold mining company or gold diggers, or other companies or persons, exploiting mines or digging under protection of the laws of the land, for damages for disturbing or rendering muddy the water in the said rivers or watercourses by using it for mining purposes.

No action for making water muddy in course of mining operations.

The Government shall, however, have the right to take measures and to make regulations in regard to the disturbing or rendering muddy of rivers or watercourses.

Regulations.

See the case of *Maré* vs. *The Mount Maré G.M. Coy.*, referred to under Article 55.

126. With regard to the distribution of water, it is left to the Mining Commissioner of each proclaimed field, subject to the further approval of the Government, after consultation with the head of the Mining Department, to make such regulations with reference to the distribution of water as according to the circumstances of such field may be considered fair and reasonable, regard being had to the rights of private owners.

Distribution of water by Mining Commissioner.

With regard to public fields, it is expressly declared that no digger, under any circumstances whatever, shall have any proprietory right in the water running in any river, watercourse or furrow. He shall only have the right to use the said water according to law or regulations. In cases where, under certain circumstances, damages must be paid, the value of the water shall not be taken into consideration.

No ownership of running water.

Value of water not taken into consideration in estimating damages.

The Government may, by agreement, grant special water-rights on Government grounds, and also, for public interests, on proclaimed private grounds.

Special water rights.

See the case of *Maré* vs. *The Mount Maré G.M. Company*, referred to under Article 55.

127. Holders of "mijnpachten" and properly developed digger's claims shall be entitled to obtain water-rights.

Who entitled to water rights.

Workers of tailings have the right to obtain and to make use of water-rights

Workers of tailings.

under such regulations as may be granted thereanent by the Mining Commissioner, after consultation with the Head of the Mining Department.

Where K. had let certain ground with water thereon to S., K. and S. both being under the impression that the said ground had been reserved on the proclamation of the farm, and S. afterwards, on finding out that the ground had not been reserved, obtained a water-right from the Government to the same water during the currency of the lease:—Held that S. could not dispute K's title to the lease, and could not refuse to pay the monies due under the contract of lease. *The Salisbury G.M. Company* vs. *The Klipriviersberg Estate and G.M. Company* (C.L.J., Vol. XI., p. 59, decided on the 21st of August, 1893), *coram* Kotzé, C.J., and Jorissen and Morice, J.J.

The plaintiff Company allowed its tailings for two years to run down a creek and took no steps to prevent them being entirely washed away. The defendant afterwards pegged off the ground on which the tailings had been washed. The Company, in an action, claimed the tailings, but the Court held there had been total abandonment, and gave judgment for defendants. *Sheba G.M. Company* vs. *Vautin, Millbourne and Steers*, decided on the 5th of March, 1889, *coram* Esselen, Jorissen and De Korte, J.J. (unreported).

Article 48*b* of Law 10 of 1891, enacted that:—"If before the taking effect of this amended law, water-rights have been granted by Digger's Committees, whose regulations were not approved by the Government, this fact alone shall be no reason for cancellation or non-confirmation of these rights, but parties interested in such water-rights, as well as holders of water-rights which were not yet confirmed by the Head of the Mining Department, shall be obliged, within six months after the taking effect of this amended law, to make application for a certificate of "bezitrecht" for such water-right, in accordance with Article 30*b*, or for confirmation by the Head of the Mining Department, in the manner hereinafter described."

Article 48*b*, of Law 18, of 1892, re-enacted the same thing. It was held that 48*b* of the Gold Law of 1892, gives a further term of six months after the lapse of the term granted by Article 48*b* of Law 10, of 1891. *Lindum G.M. Company* vs. *The Sexagon Syndicate*, decided on the 13th of April, 1895, *coram* Kotzé, C.J., and Jorissen, J.; Ameshoff, J., dissentiente (unreported).

Where irregularities exist no certificate of "bezitrecht" issued.

128. Should it appear that irregularities have taken place, such as, for example, when on the granting thereof they were not connected with claims, "mijnpacht," or right to work tailings, or when such mining right for which they were granted has already lapsed, then no certificate of "bezitrecht" shall be issued for such water-rights and they shall not be confirmed by the Head of the Mining Department.

Where two companies entered into an agreement to make a joint dam on a certain piece of ground for their joint use, and to amalgamate their respective water-rights for that purpose:—Held, that there was a trust and confidence established between the parties to the agreement, and their successors, to hold and use the amalgamated water-right jointly, and that neither party could set up the provisions of a subsequent Statute in justification of its conduct in fraud of the agreement, unless the express language of the Statute clearly sanctioned such a proceeding. *Van Ryn G.M. Company* vs. *New Chimes G.M. Company* (C.L.J. Vol. XII., p. 60), decided on the 12th of November, 1894, *coram* Kotzé, C.J., and De Korte and Ameshoff, J.J.

No water rights granted unless connected with claims, &c.

129. In future no water-rights shall be granted on proclaimed ground which are not connected with claims, "mijnpacht," or a right to work tailings, except with the express consent of the Government.

Applications.

Stamp.

Plans.

Signed by Claim Inspector.

130. Applications for water-rights must be made to the Mining Commissioner, and every application must bear a stamp of the value of five shillings, and must be accompanied by plans in quadruple, framed by an admitted surveyor, which must contain such connections and particulars as shall be desired by the Mining Commissioner in accordance with Article 9 of the instructions for claim inspectors. The plans must be signed by the Claim Inspector as correct with the beacons.

The applications must be made in such form as shall be prescribed from time to time by the Head of the Mining Department, and all particulars desired therein must also appear on the plans.

Publication of notice by applicant.

131. Notice of these applications must be published by the applicant three times in the *Staatscourant*, and at least once in a local newspaper, should there be one. This notice shall be issued by the Mining Commissioner in the form prescribed by the Head of the Mining Department.

The application with plans shall, moreover, lie for one month at the office of the Mining Commissioner for inspection of interested parties, who may send in their objections to the Mining Commissioner concerned within that period. Inspection for one month. Objections.

Should these objections be found groundless by the Mining Commissioner, after hearing the parties, he may grant the application. Hearing of.

When more than one applicant makes application to obtain one and the same water-right, the Mining Commissioner, after hearing the parties, shall decide who is entitled thereto.

From the decision of the Mining Commissioner an appeal may be entered within fourteen days to the Head of the Mining Department, whose decision shall be final. Appeal to Head of Mining Department.

132. All grants of water-rights are sent up to the Head of the Mining Department for confirmation, accompanied by a copy of the application, the plans, and the report of the Mining Commissioner regarding the desirability, or otherwise, of the confirmation, regarding the consideration of the objections, if there were any, etc. Grants of water rights confirmed by Head of Mining Department.

In future no water-rights shall be considered valid unless confirmed by the Head of the Mining Department, or included in a certificate of "bezitrecht." Not valid unless confirmed.

133. On all water-rights intended and used for motive-power the sum of 1s. per month shall be paid for each horse-power for every water-right not exceeding ten horse-power; and 2s. 6d. per month for each horse-power above ten horse-power. Claims to which a water-right is attached and on which water-right payment, according to this article, must take place, may not be renewed, unless the monies due on the water-right have been duly paid. Water rights for motive power. Claims cannot be renewed until monies due on water right have been paid

134. On the lapsing of claims or "mijnpacht," or of a right to work tailings, the water-right granted for the working of such claims, "mijnpacht," or tailings lapses also. The last holder of such water-right has, however, for the period of one month after the date on which the abovementioned mining-right lapsed, a preferent right to recover the water-right for working other claims, "mijnpacht," or tailings belonging to him, when he sends in a new application for the same in the ordinary way. Lapsing of water right. Last holder preferent right for one month.

A water-right may also, on the representation of the Mining Commissioner, be declared by the Head of the Mining Department to have lapsed, when within two years after the confirmation thereof the machinery for which the water-right was applied for is not in working order, or no proper use is as yet being made of the water-right. Lapses when not used for two years.

135. No owner of a claim shall have the right to dam up natural or running water for his own use to the detriment of other claim-holders unless a water-right is taken out by him in accordance with this law. Water obtained artificially shall not fall under this provision, Running water may not be dammed up.

Section 10. Right to Firewood and other Wood.

136. A permit may be obtained for the right to cut or carry firewood or other wood on or from Government ground on payment of £1 (one pound) for a wagon load, 7s. 6d. (seven shillings and sixpence) for a Scotch-cart load, and 6d. (sixpence) for one person's load. The said permits may be obtained on Government grounds from the Mining Commissioner or Responsible Clerk. With regard to the cutting of wood on private ground an agreement must be entered into with the owner. Permit to cut wood on Government ground. Agreement with owner of private ground.

If a person pegs off a piece of ground as a claim on which would grows, he shall not be entitled to cut and to carry away such wood for sale or trading purposes. (*a*) Wood may not be cut for trading purposes.

With regard to private grounds, these sums shall be paid to the private owner. Any person cutting or carrying away wood without a permit or without leave from the owner shall be punished with a fine not exceeding £25, or in default imprisonment not exceeding six months, besides and above liability for damages for the wood cut or removed.

Penalty.

Penalty for cutting more wood than allowed by permit.

Should it be found that more wood is taken away on a permit than that permit gives the right to, the offender shall be punished with a fine not exceeding £50, or in default with imprisonment, with or without hard labour, not exceeding twelve months.

Informer to be rewarded.

The informer of the contraventions shall be entitled to the half of the fines paid.

(a) This provision does not apply to stone dug out of the mines in the course of mining operations. Thus, where the defendants dug out stone in the ordinary course of gold mining operations and sold it to the Johannesburg Sanitary Board, and the plaintiff sued them for the value of such stone, it was held that the *dominium* of the stone was in the defendants, the claim-holders, and not in the plaintiff, the owner of the soil. *Bezuidenhout* vs. *Worcester G. M. Co.* (C.L.J., Vol. XL., p. 305), decided on the 29th of June, 1894, per Kotzé, C.J.

Firewood for domestic use.

137. Any white person or family shall, however, be allowed to obtain gratis for his or their own domestic use firewood on Government ground under permit to be obtained from the Mining Commissioner, Responsible Clerk, Justice of the Peace, or Field-Cornet, on payment of 1s. per permit per month, on which permit not more than one wagon-load of firewood may be carried away, such permits to be renewed monthly.

Permit.

CHAPTER IV.

Miscellaneous Provisions.

Bridge must be constructed over water-furrow.

138. Anyone who digs a water furrow through a road or footpath which is used, shall construct a sufficiently safe bridge; if he does not do so, any official or private person may fill up the furrow, and the offender shall further be liable to a fine of from £1 to £10, or in default of payment to imprisonment as laid down in Article 8.

Penalty.

He who closes or obstructs a road or footpath in any other way shall be liable to the same penalty.

Removal of quartz from claim of another.

139. Anyone who removes quartz from or out of the claim or "mijnpacht" of another shall be responsible for all damages, and shall moreover have to pay as compensation three times the value of what has been taken by him, apart from the criminal prosecution to which he exposes himself.

Altering or removing beacons of claim.

140. He who makes himself guilty of altering, shifting, or removing the beacons of a claim shall be punished with a fine not exceeding the sum of £100, or in default of payment with imprisonment as laid down in Article 8.

Wilful injury to claims, machinery, &c.

141. Anyone who makes himself guilty of injuring or destroying a mine, claim, machinery, watercourse, or other mining property or belongings, or who shall be guilty only of an attempt to commit the said offences shall be punished with a fine of from £100 to £1,000, or with imprisonment with hard labour for the period of from one to ten years, according to the nature of the case.

Wilful pegging-off of another's claim.

142. Anyone who makes himself guilty of the wilful pegging off of claims which belong to others, and which are in proper order according to law, shall be punished with a fine of not less than £25 and not more than £100 for every claim thus wilfully pegged off, or with imprisonment as laid down in Article 8.

The word "*moedwillig*" is equivalent to "*malo animo.*" *Charlton* vs. *The State* (C.L.J., Vol. XL, p.

291), decided on the 3rd August, 1894, *coram* Kotzé, C.J., and Ameshoff and Morice, J.J.; *Sylvester* vs. *The State* (Official Reports, I. 2., p. 43), decided on the 4th June, 1894, *coram* Kotzé, C.J., and Jorissen and Morice, J.J.

143. Every digger, inhabitant, or licence-holder shall, when called upon, render assistance to maintain public order, under penalty of loss of licence and of a fine not exceeding the sum of £25. Diggers must assist to maintain order.

144. Everyone within the boundaries of a proclaimed field being found guilty of the crime of high treason or "gekwetste majesteit," or public violence, shall, above and besides the punishment provided by the law for such crime, forfeit all his goods, movable as well as immovable, in favour of the State. Treason and public violence on proclaimed fields.

Held, by the majority of the Court (Kotzé, C.J. and Ameshoff, J.; Morice, J., diss.), that a bank account falls within the terms of Article 148 of Law 19 of 1895. Held (per Morice, J., diss)., that Article 148 refers to real rights to property, movable or immovable, situated within the Witwatersrand Gold Fields, including shares in companies the property of which is situated within such gold fields, but does not refer to bank accounts. *In re the State Attorney* vs. *Lionel Phillips and others* (C.L.J., Vol. XIII., p. 162.

In January, 1896, an interdict was granted against all the property of the Reform Committee on the Witwatersrand Gold Fields. On the application of J. S. Curtis, one of the members of the Reform Committee, it was held that his property did not fall under the interdict, because it was situated on an unproclaimed portion of Doornfontein. *J. S. Curtis* vs. *The State*, decided 12th March, 1896, *coram* Morice J. (unreported).

See Article 144 of this law.

145. No person may carry on any trade whatever in unwrought precious metal, amalgam or precious stones, under which is included the buying or selling, the bartering or exchanging, of such unwrought precious metal, amalgam or uncut precious stones, unless he has a special licence for the purpose, for which he must pay £10 a year; provided, however, that the individual digger or company need not take out any licence for the sale of the unwrought precious metal, amalgam or uncut precious stones dug out or found by him or it personally or on his or its instructions. The Government has the right to suspend, wholly or in part the working of the first portion of this article with regard to one or more precious metals, amalgam or precious stones. No trading in unwrought precious metal without special licence. Exception. Suspension of Article.

He who carries on trade in unwrought precions metal, amalgam or uncut precious stones as above described, without having a special licence to do so, is punished with a fine not exceeding £100, or imprisonment with or without hard labour, or both together, for the first offence; for the second offence a fine not exceeding £200 or imprisonment for a period uot exceeding 12 months, with or without hard labour, or both together, and for any further offence a fine or imprisonment, or both together, in the discretion of the Court. Penalty.

146. Anyone who is found in possession of amalgam or unwrought gold or uncut precious stones and can give no proof that he obtained possession of the same in a lawful manner, shall be punished with a fine not exceeding £500, or imprisonment with or without hard labour for a period not exceeding two years, or both together, according to the nature of the case, for the first offence. For the second offence a fine not exceeding £1,000, or three years' imprisonment, with or without hard labour, or both together, and for any further offence, a fine or imprisonment, or both together, in the discretion of the Court, besides forfeiture in favour of the State of the amalgam or unwrought gold or uncut precious stones found in his possession. Being in possession of unwrought precious metal.

In *The State* vs. *James Bacon* (C.L.J., Vol. IX., p. 182), where B. was indicted for being in possession of unwrought gold, it was held that it was the duty of the judge to define "unwrought gold," and that the question as to whether or not the gold was unwrought, was a question for the jury to decide. Decided on the 23rd of February, 1892, *coram* Kotzé, C.J. and De Korte and Morice, J.J.

Licensed dealer in unwrought precious metal must keep proper books.

147. A licensed dealer in unwrought precious metal, amalgam or uncut precious stones, shall keep such books of his business as the Government from time to time shall deem fit to prescribe, and the said dealer shall every month, on the first day of each month, send up to the head of the Mining Department a true and sworn copy of such books, and in such form as the Government from time to time shall prescribe.

Examination of books.

The Government shall at any time have the right to cause such books to be examined.

Penalty.

Every contravention of this article shall be punished with a fine not exceeding £50, or in default of payment with imprisonment as laid down in Article 8.

Persons despatching, etc., unwrought gold must send in declaration in duplicate.

148. The managers of banks, store-keepers, agents and in general all persons who buy, sell, exchange, take or give for safe keeping, or despatch, unwrought gold, gold amalgam, and other gold alloys are obliged to send in duplicate a declaration thereanent, on or before the 15th of each month, for the preceding month, to the office of the Mine Inspector concerned.

In case no Mine Inspector's office is established on or near the place where the transaction takes place, such declaration must be sent to the Mining Commissioner, Responsible Clerk, or Landdroet of the district. These declarations must be made according to the forms prescribed for that purpose by the State Mining Engineer.

Penalty.

Contraventions of this provision shall be punished with a fine not exceeding £50, or in default of payment with imprisonment for a period not exceeding three months.

Forms for returns.

The persons who, according to this article, are obliged to make monthly returns, can obtain the required forms for one or more months in advance at the offices of the officials to whom the declarations must be sent in, either by personal application or by written application posted, and are responsible for the consequences when they do not provide themselves with the forms early enough.

Sending in of returns.

The sending in of the returns may be effected by personally handing them in at the appointed office or by post, in which latter case the letter must be registered and the sending in shall be considered to have taken place on the day that the return was sent by post. Should the last day of the time for sending in fall on a Sunday or holiday, the return must be made the day before.

Trading without licence.

149. Anyone trading without a licence to trade shall be liable to the penalties laid down by the law of the land. Further, shall be punished with a fine of not less than £5, and not more than £25, or in default of payment, with imprisonment as laid down in Article 8 for every contravention :—

Penalty for digging or prospecting without licence.

(*a*) He who digs or prospects for precious metal or precious stones without a licence.

For pegging off claims without licence.

(*b*) He who pegs off a claim or claims without prospecting or digger's licence. Moreover such pegging off shall be considered as unlawful, shall not be recognised, and shall entail no right whatever.

For digging or prospecting on unproclaimed Government ground.

(*c*) He who with or without licence digs or prospects for precious metals or precious stones on Government grounds which have not been thrown open for the purpose by the Government in accordance with Article 64 of this law, unless special permission has been given by the Government. This special permission shall, however, not be given for longer than twelve months, and shall lapse if within six months after the date of the permission no prospecting has been begun.

Special permission for twelve months.

On the 13th of January, 1888, it was decided that a person could peg off claims and *then* get licence. *Madeline Reef Syndicate* vs. *Costuee and others* (C.L.J., Vol. V., p. 16; Official Reports, I. 1., pp. 134, 135).

The law was altered by Law 9 of 1888, Article 30, which imposed a penalty for pegging off claims without a licence.

On the 20th of February, 1893, it was decided that if a person pegs claims without licences and then obtains licences, before anyone else with licences pegs the same ground, he will have a good title to the claims notwithstanding Article 70 of Law 18 of 1892 (which corresponds with Article 149 of Law 21 of 1896). *Humphreys* vs. *The Claim Inspector of Heidelberg and Symons and Lys* (Official Reports, I. 1., pp. 134, 135).

A person who pegs claims without licences always runs the risk of somebody else with licences pegging the same ground before he can obtain his licences, as in the case of *Blomfield* vs. *Mining Commissioner of Johannesburg and F. J. Bezuidenhout, jun.* (Official Reports, I. 1., p. 132), decided on the 17th of March, 1894, *coram* Kotzé, C.J. and Jorissen and Morice, J.J. There the plaintiff and defendant pegged off the same piece of ground as claims without licences, the plaintiff's pegging being prior to the defendant's. The defendant then obtained licences and retrapped his pegs before the plaintiff could do so. It was held that the defendant had a better title than the plaintiff. (Decided 17th of March, 1894.) Article 70 of Law 14 of 1894, which corresponds with Article 149 of this law, enacted: "Moreover such pegging off shall be considered as unlawful, shall not be recognised, and shall entail no right whatever." It would seem, therefore, that, as the law now stands, if a person pegged off claims without licences and then obtained licences before any other person with licences pegged the same ground, he would not acquire any title to the ground.

It is not necessary that a person pegging off claims should have his licences with him. If his representative takes out the licences and he pegs simultaneously, his pegging is good, though he be miles away from his representative. But Article 39 (4th paragraph) of this law enacts: "No person shall have the right to peg off claims before he or his representative *is present with his licences on the ground* which he wishes to peg off." This new law came into force on the 1st of November, 1896.

Servants may not be paid in unwrought precious metal.

150. No one shall be allowed to pay his servants in unwrought precious metal, amalgam or uncut precious stones, under penalty of a fine not exceeding the sum of £100, or, in default of payment, of imprisonment as laid down in Article 8, besides a forfeiture of such unwrought precious metal, amalgam and uncut precious stones in favour of the State.

Purchasing unwrought precious metal from coloured persons.

151. Anyone who purchases, barters, or accepts unwrought precious metal, amalgam or uncut precious stones, from coloured persons either on a proclaimed public field or elsewhere within the borders of the South African Republic, shall be punished with a fine not exceeding £1,000 and imprisonment, with or without hard labour, for a period not exceeding five years, besides forfeiture of such unwrought precious metal, amalgam or uncut precious stones in favour of the State.

Coloured person selling, etc., unwrought precious metal

152. A coloured person who sells, barters, delivers, or receives unwrought precious metal, amalgam or uncut precious stones, or is found in possession of unwrought precious metal, amalgam or uncut precious stones, shall be punished with not more than fifty lashes, and imprisonment for a period not exceeding five years, with or without hard labour, and forfeiture of such rough precious metal, amalgam or uncut precious stones, in favour of the State.

Coloured person must have pass.

153. Every coloured person within the boundaries of a public diggings must have a monthly pass which is obtainable at the office of the Mining Commissioner or other persons appointed thereto, on payment of a sum calculated at one shilling per month, except in such cases where Law No. 23 of 1895 applies. For every contravention of this article the offender shall be punished with a fine of five shillings.

This article is also applicable to coloured labourers exclusively employed in mining and digging on private unproclaimed grounds, and on private farms where in accordance with Article 26 written permission has been obtained, and on grounds which are worked under concession or "mijnpacht," on Government as well as on prospecting grounds thrown open to the public, and on townships.

Coloured person leaving service without permission, or using insulting language to his master.

154. A coloured person who has entered into a contract, whether verbally or in writing, to serve his master as a domestic servant or as a servant in a shop or store, or to assist him in working a claim, machinery or waterfurrow on any proclaimed field,

and who departs without leave from his master's service, or is negligent or refuses to do any work in discharge of his duty which can according to law be asked and required of him, or who uses threatening or insulting language to his master, his master's wife, or any other person lawfully placed over him, shall be punished with a fine not exceeding the sum of £2, or with imprisonment, with or without hard labour, for a period not exceeding one month, or with lashes not exceeding twenty-five in number.

Servant, not being a coloured person.

A servant as above-mentioned, not being a coloured person, who is found guilty of any of the offences described in this article, shall be punished with a fine not exceeding the sum of £5 or with imprisonment, with or without hard labour, for a period not exceeding three months. The Mining Commissioner shall further, within the limits of the field over which he is appointed, have the same duties and rights which, according to Law No. 11 of 1892, Landdrosts have, except on such fields where Special Landdrosts are appointed.

Concluding provision.

Taking effect.

155. This law, as amended, comes into force from the 1st. November, 1896, with the exception of Articles 118 to and including 124 (as now amended) which shall remain in force until the further decision of the Hon. The First Volksraad.

S. J. P. KRUGER,
State President.

Dr. W. J. LEYDS,
State Secretary.

Government Office, Pretoria,
19th September, 1896.

APPENDIX A.

Resolution of the Hon. First Volksraad, Article 1,232, dated 20th September, 1895

The First Volksraad, with reference to the Executive Council's Resolution, Article 639, contained in the Government missive, dated the 5th instant, with the proposal submitted therewith for amendment of Article 121, etc., of the Gold Law, as approved by the Hon. Second Volksraad, now under consideration; considering the fact that the Gold Law has been dealt with by the Second Volksraad, and that the First Volksraad has not all the data before it which were laid before the Hon. Second Volksraad; further, considering that there exist great differences, as well in the Second as in the First Volksraad, concerning the so-called undermining rights, and that it is therefore not desirable to introduce amendments to the said law, where such great differences exist; resolves that it can not agree with the resolution of the Hon. Government regarding Articles 121, 122, and 124, but resolves to accept the resolutions of the Second Volksraad with regard to the Gold Law as notice, with the exception of Articles 122 to 128 inclusive, and to hereby suspend the operation of the latter until the next ordinary session, and instructs the Hon. Government to collect the necessary information, and to submit the same at the next session, in order to enable the Raad to become better acquainted with the circumstances and with the feelings of the burghers of the Republic.

Suspension o Articles 122 t 128 of Gol Law of 189 (Law No. 19 1895).

N.B.—Articles 121, 122, 124, referred to in the above resolution, correspond to Articles 117, 118, and 120 in the Gold Law of 1896, and Articles 122 to 128 also referred to above, correspond to Articles 118 to 124 in the Gold Law of 1896.

APPENDIX B.

No. 235. R/6963/95.

GOVERNMENT NOTICE.

For general information are published herewith the following regulations with regard to the drawing of lots for claims on private and Government ground, approved by Article 1,129 of the resolutions of the Hon. Second Volksraad, dated 2nd August, 1895, which resolution was accepted as notice by the Hon. First Volksraad by Article 916 of its minutes, dated 14th August, 1895.

Dr. W. J. LEYDS,
State Secretary.

Government Office, Pretoria,
15th August, 1895.

REGULATIONS.

For the drawing of lots for claims on private and Government ground.

Whereas it is necessary and desirable to make special provision for the pegging off of claims on the proclamation of some farms in cases where there are great gatherings of people, whereby serious irregularities might take place, now therefore it is laid down as follows:—

1. In future no private or Government ground, declared by proclamation to be a public diggings, shall be available for the pegging off of claims, before the proclamation has been read on the ground to be proclaimed, where also the licences shall be issued for the first time.

2. That, where in future it may appear to the head of the Mining Department that on the proclamation of private farms and Government ground, the circumstances require it, the Government, with the advice and consent of the Executive Council, shall have the power to instruct the Surveyor-General to cause such farms or Government ground to be surveyed in claims, and to have a diagram thereof made before the day of throwing open, which claims must be properly numbered on such diagram.

   On this diagram must further appear the situation of the claims mentioned in Articles 9, 10, and 14 of Law 14 of 1894, which must likewise be surveyed and numbered before the day of throwing open, as also the "mijnpachten," homestead, building and arable lands granted, and other grounds reserved under Article 20 of the said law, and the grounds reserved by the Mining Commissioner, in accordance with the second paragraph of Article 28 of Law 14 of 1894.

Articles 9, 10, 14, 20, and 28 of Law 14 of 1894, correspond with Articles 47, 46, 48, 54, and 15 respectively of Law 21 of 1896.

3. The claims thus measured and reduced to diagram, with the exception of those mentioned in Articles, 9, 10, and 14 of the Gold Law, shall be given out by lot to the public on the day of throwing open, and if necessary on the following days.

The Mining Commissioner or his lawful representative shall at this drawing of lots and giving out of claims have to take into consideration:

(1) The number of claims available for the public.

(2) The number of persons present on the day of throwing open who wish to obtain claims.

In no case shall more than twelve claims be awarded to one person by lot, in connection with which Article 61A and 61C must be taken into consideration, or such other provision as may at present exist or in future be made thereanent in the Gold Law.

Article 61A of Law 14 of 1894 corresponds with Article 65 of Law 21 of 1896, while Article 61C is left out of Law 21 of 1896.

4. The expenses of surveying the claims thus surveyed shall have to be paid to the Government by the claimholder immediately on issue of the licence, in default of which the Mining Commissioner or responsible clerk is entitled to refuse the licence, in which case these claims shall be dealt with in terms of Article 61B of the Gold Law.

Article 61B of Law 14 of 1894 corresponds with Article 86 of Law 21 of 1896.

5. In case, on the day of throwing open, all the claims have not yet been surveyed, only the claims which have been surveyed or reduced to diagram shall be drawn for. The remaining claims shall however as speedily as possible be surveyed and drawn for on a day to be fixed by the head of the Mining Department, of which drawing at least three weeks' notice must be given in the "Staatscourant."

6. The manner of drawing lots shall be regulated by the head of the Mining Department in consultation with the Government, while after the termination of every drawing, a report must be sent in by the Mining Commissioner as soon as possible to the head of the Mining Department.

7. These regulations come into force immediately after publication in the "Staatscourant."

No. 247 R. 8030/95.

GOVERNMENT NOTICE.

For general information are herewith published the following Regulations for drawing lots for claims on private and Government ground in accordance with the resolution of the Executive Council, Article 603 of its Minutes, dated 20th August, 1895.

DR. W. J. LEYDS,

State Secretary.

Government Office, Pretoria,
20th August, 1895.

REGULATIONS.

For the drawing of lots for claims on private and Government ground, approved by resolution of the Honourable Second Volksraad, Article 1,129, dated 2nd August, 1895, and accepted as notice by resolution of the Honourable First Volksraad, Article 916, dated 14th August, 1895.

In consequence of the above Regulations, and for the carrying out of the same, the Government has deemed fit to give out, by way of drawing lots, the claims on the portion of the farm "Witfontein," No. 572, formerly in the district of Potchefstroom, now in the district of Krugersdorp, and portion of "Luipaardsvlei," No. 682, formerly in the district of Potchefstroom, now in the district of Krugersdorp, and "Palmietfontein," No. 697, in the district of Potchefstroom, which will be proclaimed respectively on the 30th of August, 1895; 2nd of September, 1895, and the 27th August, 1895.

The manner in which the drawing for the claims must take place shall be as follows:—

(1) In accordance with the above-mentioned regulations, the claims, as surveyed and reduced to diagram, in blocks of six claims, on the above-mentioned farms, by the Surveyor-General, shall be drawn for.

(2) The person or persons who are present on the day of proclamation on the ground to be proclaimed, shall be entitled to obtain gratis one ticket for each person on each of the farms to be proclaimed, provided he produces his receipt or certificate to show that he has paid his personal taxes for the current year.

(3) The number of tickets shall be regulated according to the number of persons who, on the day of proclamation and after the reading of the same, shall be present on the ground to be proclaimed, and who shall be obliged to present themselves to the Mining Commissioner or responsible clerk, and to give him notice, after production of the receipt for personal taxes, that they wish to take part in the drawing.

(4) The drawing for claims takes place on the day of proclamation, and if necessary on the following days, and shall commence directly after the reading of the proclamation.

(5) When the number of persons present, who wish to take part in the drawing, exceeds the number of blocks of 6 (six) claims, blank tickets must be put into the drum after the tickets on which the blocks of 6 (six) claims in due sequence on each ticket have been noted have been placed in it.

(6) The names of the persons who wish to take part shall be placed in drum No. 1, and the tickets with the number and the numbers (six claims) and the blank tickets in drum No. 2. The official charged with the drawing shall have to draw a ticket out of drum No. 2, while an official to be named by the Head of the Mining Department shall have to draw a name out of drum No. 1.

(7) The Claim Inspector shall be obliged to point out to each person who has drawn a ticket representing claims the pegs and the situation of such claims.

(8) The Head of the Mining Department shall have to exercise due supervision and to instruct the officials from time to time in accordance with these regulations.

No. 255. R. 8241/95.

GOVERNMENT NOTICE.

For general information is herewith published the following Article 1,408 of the resolutions of the Hon. Second Volksraad, dated 27th August, 1895, with regard to the taking part in the drawing for claims by youths of sixteen years, which resolution was accepted as notice by the Hon. First Volksraad by Article 1,023 of its minutes, dated 28th August, 1895, wherein it was laid down that this resolution should come into force immediately after publication in the *Staatscourant*.

DR. W. J. LEYDS,
State Secretary.

Government Office, Pretoria,
29th August, 1895.

Resolution of the Hon. Second Volksraad, Article 1,408, dated 27th August, 1895.

The Second Volksraad, having considered the Government missive, now on the order, including a letter from Field-Cornet Botha, and a telegram from Field-Cornet Cronjé, with regard to the drawing for claims, now to take place, by youths of sixteen years, the Second Volksraad, taking into consideration that this drawing is a special matter, resolves:

That in such special cases youths above the age of sixteen years, whose names appear on the Field Cornet's lists, and the taxes of whose parents have been paid for the current year, shall be entitled to take part in the drawing under the following conditions:—

(1) Each of them must be provided with a Field-Cornet's or Assistant Field-Cornet's certificate, showing the name and date of his registration in the Field-Cornet's books.

(2) A certificate from the official under whose jurisdiction his parents come showing that the taxes of his father or guardian for the current year have been paid.

(3) Each of them shall be present in person on the day of drawing.

This resolution shall only be of force on places for drawing of lots of claims, and shall not be applicable in any other case.

APPENDIX C.

On the 12th of June, 1891, J. S. Curtis bought 78 prospecting claims on Turffontein from a certain Rautenbach. On the 18th of June, the secretary of the Village Main Reef G.M. Company, on behalf of which Curtis had acquired the claims, applied to the Mining Commissioner of Johannesburg for digger's licences for the said caims. On the refusal of the Mining Commissioner to grant digger's licences, the secretary applied for renewal of the prospecting licences. This request was also refused. Thereupon Curtis, in his capacity of managing director of the said company, made an application to the Court to compel the Mining Commissioner to renew the licences, maintaining that the main reef ran through the ground in dispute, and that such ground was proclaimed ground. The Mining Commissioner alleged that he refused to renew the licences because in consequence of a contract between the Government and the Deep Level Developing and Mining Township Syndicate, dated the 29th of October, 1889, the ground had been reserved for a township.

A rule *nisi* having been granted, the Court (Kotzé, C.J., and Jorissen, J.) refused to confirm it, Kotzé, C.J., said:—"The Court is of opinion that the rule *nisi* must be set aside. Assuming that the Mining Commissioner can be ordered, under certain circumstances, to renew prospecting licences, or to change them into digger's licences, such circumstances are not present here. Under Section 67 of Law 8 of 1889, the Government has the right to grant stands, provided it be not on gold-bearing ground. It is here disputed, and it is not known whether the ground is gold-bearing or not. Moreover, the Government has the power to grant a piece of ground larger in extent than the size of a stand, and that under one licence. Of this right the Government has made use, and there is nothing to show that it has here made an unfair use of this power. More especially is this so because the respondent was, and is, in possession, and the applicant was warned of this fact, and, notwithstanding this, went and pegged off, well knowing that months before the ground had been granted to the respondent. The respondent is entitled to the costs."

Curtis N.O. vs. *The Mining Commissioner of Johannesburg, and the Johannesburg Township Company*, decided on the 12th of August, 1891 (unreported).

The farm Klein Paardekraal was proclaimed on the 11th of October, 1886 with the exception of such portion as had been beaconed off for a "mijnpacht." On the 8th of November, 1888, the plaintiff pegged off a claim immediately adjoining the southern line of the Alexandra "mijnpacht," on the said farm. Some days afterwards the defendants shifted the southern line of the Alexandra "mijnpacht," so as to take in a portion of the plaintiff's claim, and shortly afterwards again shifted the line so as to entirely include the said claim in the "mijnpacht." In an action instituted by the plaintiff, the defendants were ordered to move the southern line of their "mijnpacht" to the place where it was at the date of plaintiff's pegging, and interdicted from committing any trespass on the said claim in the future.

Cathcart vs. *The Main Reef G.M. Company*, decided on the 25th of November 1889 (unreported), *coram* Kotzé, C.J., and Esselen and De Korte, J.J.

The beacons erected at the time of proclamation are the true boundaries, and they indicate the position of the "mijnpacht," and not the chart or diagram, when such does not agree with the beacons.

Substantial damages, assessed by the Court without evidence of special damage, ordered to be paid by trespassers who pegged, notwithstanding the fact that they saw the beacons which had been erected.

Nabob G.M. Company vs. *Phœnix G.M. Company.*, decided on the 1st of March, 1890 (unreported), *coram* Kotzé, C.J., and Esselen and De Korte, J.J.

Where certain lapsed claims had been bought from the Government, and the purchaser, from whom the defendants, Barnato Bros., derived their title, finding that some of these claims were not on the line of reef, on the advice of the Claim Inspector took certain other claims on the line of reef instead, without filing powers of attorney for the fresh claims thus taken. Held: That the plaintiff, who subsequently pegged off the said fresh claims according to law, had a better title to them.

When a lapsed claim is bought, a title is acquired to a certain definite piece of ground, and not to any indefinite piece the size of a claim.

Powers of attorney once used for the purpose of obtaining licences for claims cannot be used a second time, but are, as it were dead.

Underwood vs. *Barnato Bros. and the Mining Commissioners of Boksburg, coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J.; decided on the 13th of June, 1896, and reported in the *Cape Law Journal*, Vol. xiii., p. 226.

Where the Mining Commissioner of Boksburg had provisionally granted an application for a water-right made by the Gauf Syndicate, and the Head of the Mining Department had returned the said application to the Mining Commissioner to have a certain discrepancy between the application and the diagram eliminated, and the plaintiff pegged the ground, which was the subject of the application, before the publication of the amended application. Held, that, as the final confirmation of the water-right by the Head of the Mining Department was still pending, the ground was not open ground and could not be pegged.

Ginsberg vs. *The Gauf Syndicate and the Mining Commissioner of Boksburg*, decided on the 8th and 9th of July, 1896, *coram* Ameshoff, Morice and Gregorowski, J.J. (C.L.J. Vol. xiii., p. 225).

N.B. The application for a water-right in this case was made some time after the proclamation of the farm Leeuwpoort.

The plaintiff entered into a contract with the first defendant by which he acquired the right to *prospect* on a certain farm and the further right to purchase the said farm, within a certain period, for a certain price. The first defendant, notwithstanding this, sold the farm to the second defendant. The plaintiff sued the defendants for performance of the contract and rescission of the sale. The first defendant took the exception that the contract was *ab initio* null and void because it had not been *notarially* drawn. Kotzé, C.J., in delivering judgment, said: "The only question which the Court must decide is whether the contract is *ab initio* null and void under the Volksraad Besluit of August the 12th, 1886, Article 1,422. We are of opinion that the contract alleged in the summons does not fall under the terms of the V.R. Besluit or under the provisions of Article 14 of Law 7 of 1883. It is only said that the right to *prospect* or search for gold, etc., is granted to the plaintiff, with the further right to purchase the farm out and out. This is not a case of a grant of

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rights to minerals or regarding rights to dig (*afstand van regten of mineralen of omtrent regten om te delven*), of which Article 1,422 speaks, nor of a grant of a right to minerals which are supposed to be present or are actually present on any farm as laid down in Article 14 of Law 7 of 1883. All that is granted to the plaintiff is the *mere right to search* for gold and other minerals and, whether these are found or not, the further right to purchase the farm. There is no *grant or cession of mineral rights or rights to minerals*, and we are therefore of opinion that the exception must be set aside with the costs."

Pearce v. *Olivier and others*, decided on the 13th of November, 1889 (unreported), *coram* Kotzé, C.J., and De Korte and Ameshoff, J.J.

On the 28th of May, 1887, a certain contract was entered into between the plaintiff (and others) on one side and the defendant on the other, one of the clauses of which contract was as follows; "The owners of and parties interested in the half farm Welgegund adjoining Oudedorp and transferred to the name of J. P. K. N. Bezuidenhout have agreed as follows,—that all rights, profits, and privileges, arising out of the mineral rights on the said half farm Welgegund shall be divided as follows, etc."

The plaintiff sued the defendant to have the agreement drawn up *notarially* in accordance with one of the terms of the agreement. The defendant pleaded that the plaintiff was debarred from suing because the agreement on which he sued was not *notarial* in accordance with the Volksraad Besluit of the 12th of August, 1886. The majority of the Court (Kotzé, C.J., and De Korte, J.) held that judgment should be given for the plaintiff. Kotzé, C.J., gave as his reasons, (1) that the literal interpretation of the above-mentioned clause removed the contract from the operation of the Volksraad Besluit; (2) that the circumstances of the case showed that in the above-mentioned clause no grant of mineral rights, but only a division of the privileges and proceeds thereof was in the contemplation of the parties; (3) that even if the said clause fell within the terms of the Volksraad Besluit, still the defendant could not be heard when he attempted to make use of that Besluit to the prejudice of the plaintiff, for this would be equivalent to a fraud on him. The action was brought to compel the defendant to comply with the terms of the Volkraad Besluit, by executing a proper notarial agreement as contracted between the parties. De Korte, J., based his judgment on the last ground above-mentioned.

Esselen, J. (diss.) held that the said clause fell within the terms of the Volksraad Besluit.

Steyn vs. *Bezuidenhout*, decided on the 6th of March, 1890 (unreported).

The Paarl Pretoria Company, claiming to be the owner of certain claims on the farm Langlaagte, in November, 1888, sold all its right to the said claims to the Central Langlaagte Company. In January. 1889, Donovan, maintaining that the ground was open, pegged off the same claims and instituted an action against the Central Langlaagte Company for ejectment. The claims were awarded to Donovan. When the summons was served on the Central Langlaagte Company, this company's attorney wrote on the 21st March, 1889, to the attorneys of the Paarl Pretoria Company giving them notice of the action, and advising that the Paarl Pretoria Company should intervene, seeing that this company sold the claim to Central Langlaagte Company.

The Paarl Pretoria Company took no steps to intervene, and, after judgment was given in favor of Donovan, instituted an action against Donovan and Wolff, as repre-

senting the Royal Langlaagte Company, to whom Donovan had in the meanwhile sold the claims. The defendants (Donovan and Wolff N.O.) pleaded *Res judicata*, and this plea was upheld and the plaintiffs held to be estopped from instituting the action on the ground that they ought to have intervened in the action of *Donovan* vs. *The Central Langlaagte Company.*

The Paarl Pretoria G.M. Coy. vs. *Donovan and Wolff, N.O.*, decided on the 25th November, 1889 (unreported), *coram* Kotzé, C.J., and Esselen and De Korte, J.J.

On the 2nd February, 1889, certain Scott and Sparks pegged off 12 claims on ground afterwards known as Schweizer's Township, and on the 7th February, 1889, they pegged off 12 more claims. In April, 1889, those claims were amalgamated in blocks and registered in the name of the Non Pareil Syndicate consisting of Scott, Sparks and Thomas Whitty. On the 2nd and 7th of September, 1889, the Mining Commissioner of Johannesburg refused to renew the prospecting licences, because, as he stated, he wished to compel the Non Pareil Syndicate to take out digger's licences instead of prospecting licences. Scott and Sparks alleged that the renewal was refused because the Government wished to lay out a township on the ground. The Non Pareil Syndicate made no objection and lodged no protest against the refusal to renew.

On the 21st September, 1889, a contract was entered into between the Government and Schweizer, giving the latter the right to lay out a township on the ground held by him. Schweizer had pegged in July, 1889, and he caused a diagram to be made of all ground held by him, which included the 24 claims above-mentioned. In March, 1890, Schweizer caused a sale to be held of the stands laid out by him, but only a few were sold. He thereafter ceded all his rights to Hollard and Van Boeschoten, who again ceded to the Rand Exploring Syndicate. In 1893, on the advice of a Government Commission, the Government decided to change the stands into claims and to issue claim licences to the Rand Exploring Syndicate, and the syndicate had to indemnify the Government against any claims which might be set up by persons who had previously held portions of the ground included in Schweizer's Township. Thereupon the Non Pareil Syndicate sent in a claim for a block of 12 claims, but this was refused, and an action was consequently instituted against the Rand Exploring Syndicate in March 1895. After the closing of the pleadings the Non Pareil Syndicate ceded all its rights to the Schweizer's Claimholders Rights Syndicate, which obtained leave, with the consent of the defendant syndicate, to appear as plaintiff. The Court found that the renewal of the *prospecting* licences was refused because the Mining Commissioner wished to compel the Non Pareil Syndicate to take out *digger's* licences instead, under Article 17 of Law 10 of 1887, and held that this syndicate must be taken to have abandoned its rights on the ground that it did not protest either when the renewal of prospecting licences was refused, or when Schweizer put up the stands for sale. Judgment was, therefore, given for the defendant with costs. The Court considered that the taking over of the rights of the Non Pareil Syndicate by the Schweizer's Claimholders Rights Syndicate was impeachable on the ground of champerty, but did not think it necessary to decide the case on that ground.

Schweizer's Claimholders Rights Syndicate, Ld., vs. *The Rand Exploring Syndicate, Ld.*, decided on the 25th of August, 1896, *coram* Kotzé, C.J., and Gregorowski, J., (not yet reported).

Certain persons who alleged that they were entitled to certain claims (127 in all) on the farm Turffontein, in the possession of the Rand Exploring Syndicate, joined with certain other persons present who had no interest in these claims, and formed the

Schweizer's Claimholders Rights Syndicate, Limited, with the object of obtaining possession of the said claims and working them. The consideration received by those persons who alleged that they were entitled to claims consisted of shares in the Syndicate, while the working capital of the company, out of which the expenses of litigation were to be defrayed, was advanced by some of the other persons who had no interest in the claims. The syndicate instituted action against the Rand Exploring Syndicate, and the defendants raised the plea of champerty. The Court held that the articles of association of the syndicate were tainted with champerty and were, therefore, *contra bonos mores*, and granted absolution from the instance with costs.

Schweizer's Claimholders Rights Syndicate, Limited, vs. *Rand Exploring Syndicate, Limited*, decided on the 4th September 1896, *coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J. (not yet reported).

The plaintiff, Schuler, had certain prospecting rights over certain property. On the 27th February, 1895, he entered into a contract with the defendants Sacke and Saenger, the terms of which were contained in a letter written by Saenger on behalf of himself and Sacke. According to this agreement Schuler was to receive a certain sum of money and a certain number of shares on "flotation, sale, or otherwise" of the property. On the 24th of September, 1895, the defendants sold all their rights to George Albu as trustee for a certain company to be floated. The company was floated on the 1st of November, 1895, under the name of the Sacke Estates and Mining Company, Limited. The defendants, while admitting the agreement of the 27th of February, said that the property had never been sold or floated into a company, but that they had merely sold their rights under the agreement to George Albu Q.Q., and that, therefore, the Sacke Estates and Mining Company, Limited, stood in their shoes and would be liable to the plaintiff when the property was actually sold or floated.

Under these circumstances Jorissen, J., sitting at Johannesburg, held that there had been such a dealing with the property as was contemplated in the agreement and that, therefore, the plaintiff was entitled to the money and shares claimed. On appeal to the full Court in Pretoria this judgment was upheld.

Schuler vs. *Sacke and Saenger*, decided (on appeal) on the 4th of August, 1896, *coram* Ameshoff, Morice and Gregorowski, J.J. (not yet reported).

On the 19th of February, 1895, Jooste, who was the owner of certain 70 claims in the district of Potchefstroom, entered into an agreement with Carlis, under which the latter obtained the exclusive right to prospect for gold on these claims. It was further agreed that Carlis should "have the sole and exclusive right and power of purchasing, selling, floating into a limited liability company, or otherwise disposing of the said claims, provided that upon such purchase, sale, flotation, or disposal" he should pay to Jooste £100 or 100 fully paid-up shares for each claim so disposed of.

It was further agreed that the formation of a syndicate for the purpose of merely testing or exploiting such claims should not entitle Jooste to claim the above-mentioned consideration.

On the 26th of October, 1895, Carlis ceded his right or option under the agreement to Jacob Creewel, William Peter Taylor, and the firm of S. Neumann & Co. On the 29th of October Creewel ceded his one-third share in the said right or option to the Klerksdorp Proprietary Mines, Limited. Thereupon Jooste sued Carlis for £7,000 or 7,000 shares in the Klerksdorp Proprietary Mines, Limited. It appeared in evidence that there was an understanding that W. P. Taylor and S. Neumann & Co.

would transfer their rights to the above-named company. Carlis contended that the claims had not been sold, floated, or otherwise disposed of, but that he had merely *ceded his right or option* under the agreement of the 19th of February.

The majority of the Court (Gregorowski and Kleyn, J.J., Morice, J., diss.) held that the plaintiff was entitled to succeed, on the following grounds:—That Carlis had made over all his rights and obligations to Creewel, Taylor, and S. Neumann and Co., for value received, but Jooste obtained no rights as against these persons. That it would be unfair to allow Carlis, by cleverly framing his agreement, to keep Jooste out of his money for an indefinite time and in the meanwhile enjoy all the benefits which he would have enjoyed in the case of an actual sale. That such was not the intention of the parties. That the fact that the formation of a syndicate to test or exploit the claims did not entitle the plaintiff to payment, showed that in this case he was so entitled, as the defendants did not allege that the Klerksdorp Proprietary Mines, Limited, was such a syndicate. That Carlis was more or less in the position of an agent for Jooste, and therefore in a position of trust. That under these circumstances such an alienation as was contemplated in the agreement must be considered to have taken place.

Morice, J. (dissentiente) held that this case could be distinguished from the case of *Schuler* vs. *Sacke and Saenger*, because in that case Schuler was not the owner of the ground. He merely had certain rights *in personam* against the owner of the ground. When Sacke and Saenger made over their rights under the agreement of the 27th February, 1895, to the company, they disposed of all the rights which Schuler had possessed in the ground, and there remained nothing further which he could have transferred, and therefore he was entitled to the stipulated consideration. But in this case Jooste was the owner of the claims, and when Carlis ceded his rights and liabilities to Creewell, Taylor, and Neumann & Co., he did not transfer Jooste's *jus in rem* in the claims. Jooste could not be prejudiced because the claims were registered in his name, and he was not bound to give transfer until he received the stipulated payment. Moreover, the use of the words "assignees" and "successors" in the agreement showed that it was contemplated that Carlis could cede his rights. As a matter of fact cessions of such options were of frequent occurrence as a speculation on the goldfields. As it did not appear that such an alienation as was contemplated in the agreement had taken place, his Lordship considered that the judgment should be absolution from the instance.

Jooste vs. *Carlis and Creewel*, decided on the 27th of August, 1896 (not yet reported).

The Plaintiff Syndicate alleged that Alfred Berriman, q.q. the Berriman Syndicate, on the 21st December, 1894, took out 100 licences and pegged off 100 claims on Block B, on the farm "Draaikraal," district Heidelberg, and renewed the licences till the 21st of September, 1895. Further, that on the 21st of February, 1895, he took out 115 licences, and on the 4th of March pegged off 115 claims on another portion of the same Block B, and renewed the licences till the 15th of September, 1895. That in March, 1895, Simpson, the defendant, lodged a protest against the numbering of the said claims. That thereupon the Mining Commissioner refused to allow the claims to be numbered, and in September refused the renewal of the licences.

The defendant alleged that on the 18th of February, 1895, he took out 100 licences and pegged the ground which the plaintiff alleged Berriman pegged in December, 1894, and that he still held the claims. That Berriman did not properly peg the ground in December, 1894, because he erected *corner* beacons *only*, and that the plaintiff

fraudulently held about 200 claims (viz. the whole of Block B) under only 100 licences. The 115 claims were not in dispute.

The Court found that Berriman pegged only the 100 claims in December, 1894; that he put in only *one centre* peg for each claim, and did not put in the corner pegs as required by law; and that in February, 1895, he placed an iron sign board at each corner of the block of 100 claims. It held that the provision of Article 63 of Law 14 of 1894, with regard to *two centre pegs* was unintelligible, and that the plaintiff had sufficiently complied with the law. Further, that as the plaintiff had made a trench round the block of 100 claims there could be no doubt as to their exact situation, and that therefore the non-compliance with the provision of Article 63, with regard to corner pegs within seven days, was not fatal. Further, that the defendant was a "jumper," and that in a dispute between a "jumper" and a *bona fide* pegger the Court would not lightly deprive the latter of his claims on a mere informality, seeing that the law does not say that such informality shall entail forfeiture.

Judgment was therefore given in favour of the plaintiff for the 100 claims in dispute with costs.

Berriman Syndicate vs. *Simpson*, decided on the 4th of September, 1896, *coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J. (not yet reported).

On the 7th of December, 1894, the plaintiff, Dawe, pegged off 74 claims on the farm "Middelvlei." In February, 1895, he gave instructions to have the ground surveyed. On the 8th of March, 1895, the survey took place, and on the 28th of March he received the surveyor's diagram. He then for the first time found out that the ground pegged comprised 105 instead of 74 claims. On the 30th of March he applied to the Responsible Clerk at Doornkop, under Article 62*f* of Law 14 of 1894, for the surplus ground, *i.e.* 31 claims. This application was granted by the Responsible Clerk on the 6th of April, 1895, whereupon Dawe took out the necessary licences for the said 31 claims. On the 22nd of March, 1895, Cordeaux having found out that Dawe had pegged off more ground than his 74 licences entitled him to, provided with licences went and pegged off 25 claims on the said ground. He at the same time made application for these 25 claims, but the Responsible Clerk refused to give them to him. In July, 1895, however, these 25 claims were granted to him by the Head of the Mining Department. Dawe instituted an action for a declaration of rights. The Court assumed that Dawe had acted *bona fide* in pegging 105 claims instead of 74 under 74 licences, but held that, as he had only 74 licences, and intended to peg only 74 claims, whatever surplus there was above the 74 claims had to be looked upon as *open* ground, and as Cordeaux had properly pegged 25 claims on the 22nd of March, 1895, before Dawe applied for the surplus ground under Article 62*f*, he thereby acquired a good title to the said 25 claims. The Court further held that as Dawe had pegged first he was entitled to 74 claims, beginning from the place where he started pegging, and that Cordeaux was entitled to 25 claims on the remainder of the ground. Judgment was therefore given in favour of Cordeaux for 25 claims with costs.

Dawe vs. *Cordeaux and the Responsible Clerk of Doornkop*, decided on the 4th of September, 1896, *coram* Kotzé, C.J. (not yet reported).

On the 13th of June, 1888, all Government ground in the district of Heidelberg was thrown open. In March, 1893, the defendants pegged off a certain piece of ground on Vogelstruisbult under 800 licences. On the 10th of April, 1893, the Mining Commissioner refused to renew the licences because there was a dispute between the Government and one Botha, the owner of Daggafontein, as to whether the ground belonged to the Government or to Botha. The Mining Commissioner

assured the defendants that if it should afterwards appear that the ground was Government ground they would retain their rights. In February, 1895, it was settled that the ground belonged to the Government, and the defendants thereupon on the 9th of March, 1895, renewed their licences. They, however, renewed only 600 licences. On the 29th of April, and 6th and 9th of May, 1895, the plaintiff pegged off the ground for which the defendants held the 600 licences under 1,173 licences. After the pegging by the plaintiff, the defendants had the ground surveyed, and found that it comprised 1,173 instead of 600 claims. They thereupon applied under Article 62*f* of Law 14 of 1894 for the 573 surplus claims, and their application was granted by the Head of the Mining Department in July. Thereupon, the plaintiff instituted action for a declaration of rights. He alleged that the defendants had no right to any of the 1,173 claims (1) because they in 1893 abondoned their rights, and did not peg again in 1895; (2) because they fraudulently held 1,175 claims under 600 licences.

The Court held that the defendants did not abandon their rights in 1893, and that when they renewed their licences on the 9th of March, 1895, their original pegging was still good. That when the plaintiff pegged in April, the defendants were in possession of the ground under 600 licences, and that it was not necessary to decide what would have happened if the plaintiff had pegged before the 9th of March, *i.e.*, before the defendants obtained renewal of their licences. Further, that although the defendants had pegged ground comprising 1,173 claims under 600 licences, there was no intention to defraud, and no one was prejudiced, and that therefore the defendants were entitled to 600 claims. With regard to the 573 remaining claims, the application for them was not granted (or made) until after the plaintiff's pegging, and consequently at a time when the ground was no longer open. Further, that, as the defendants had been the first to peg, they were entitled to choose their 600 claims first, and for this purpose they were allowed fourteen days, and that the plaintiff was entitled to the remaining 573 claims. Defendants were ordered to pay costs.

Neubauer vs. *Van Diggelen and Wilson* decided on the 4th of September, 1896 *coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J. (not yet reported).

On appeal from the decision of the Landdrost of Johannesburg, the Court held that digging a furrow to carry off water and cleaning it was sufficient working of the claims by the company holding them, and set aside the judgment of the Landdrost.

Henry Nourse G. M. Coy. vs. *Eland*, decided on the 5th of July, 1889, *coram* Kotzé, C.J., and Jorissen and De Korte, J.J. (unreported).

A person digging for gold on a proclaimed goldfield, under the Gold Law of 1875, without a licence, is a wrong-doer.

A gold-mining concession, granted by the Government and confirmed by the Volksraad, provided that all diggers at present digging on the farm embraced by the concession shall be compensated:—*Held*, that this did not entitle the diggers to peg out and work new claims on the farm, after the granting of the concession, and that they must be interdicted from so doing.

Gilbaud and Co. vs. *Walker and others*, decided on the 4th of December, 1883, *coram* Kotzé, C.J., and Burgers and Brand, J.J. (Kotzé's Reports, 1881-1884, page 82).

Digging for gold without a licence renders the digger a tresspasser under the Gold Law of 1875.

REGULATIONS.

For the drawing of lots for claims on private and Government ground, approved by resolution of the Honourable Second Volksraad, Article 1,129, dated 2nd August, 1895, and accepted as notice by resolution of the Honourable First Volksraad, Article 916, dated 14th August, 1895.

In consequence of the above Regulations, and for the carrying out of the same, the Government has deemed fit to give out, by way of drawing lots, the claims on the portion of the farm "Witfontein," No. 572, formerly in the district of Potchefstroom, now in the district of Krugersdorp, and portion of "Luipaardsvlei," No. 682, formerly in the district of Potchefstroom, now in the district of Krugersdorp, and "Palmietfontein," No. 697, in the district of Potchefstroom, which will be proclaimed respectively on the 30th of August, 1895; 2nd of September, 1895, and the 27th August, 1895.

The manner in which the drawing for the claims must take place shall be as follows:—

(1) In accordance with the above-mentioned regulations, the claims, as surveyed and reduced to diagram, in blocks of six claims, on the above-mentioned farms, by the Surveyor-General, shall be drawn for.

(2) The person or persons who are present on the day of proclamation on the ground to be proclaimed, shall be entitled to obtain gratis one ticket for each person on each of the farms to be proclaimed, provided he produces his receipt or certificate to show that he has paid his personal taxes for the current year.

(3) The number of tickets shall be regulated according to the number of persons who, on the day of proclamation and after the reading of the same, shall be present on the ground to be proclaimed, and who shall be obliged to present themselves to the Mining Commissioner or responsible clerk, and to give him notice, after production of the receipt for personal taxes, that they wish to take part in the drawing.

(4) The drawing for claims takes place on the day of proclamation, and if necessary on the following days, and shall commence directly after the reading of the proclamation.

(5) When the number of persons present, who wish to take part in the drawing, exceeds the number of blocks of 6 (six) claims, blank tickets must be put into the drum after the tickets on which the blocks of 6 (six) claims in due sequence on each ticket have been noted have been placed in it.

(6) The names of the persons who wish to take part shall be placed in drum No. 1, and the tickets with the number and the numbers (six claims) and the blank tickets in drum No. 2. The official charged with the drawing shall have to draw a ticket out of drum No. 2, while an official to be named by the Head of the Mining Department shall have to draw a name out of drum No. 1.

(7) The Claim Inspector shall be obliged to point out to each person who has drawn a ticket representing claims the pegs and the situation of such claims.

(8) The Head of the Mining Department shall have to exercise due supervision and to instruct the officials from time to time in accordance with these regulations.

No. 255. R. 8241/95.

GOVERNMENT NOTICE.

For general information is herewith published the following Article 1,408 of the resolutions of the Hon. Second Volksraad, dated 27th August, 1895, with regard to the taking part in the drawing for claims by youths of sixteen years, which resolution was accepted as notice by the Hon. First Volksraad by Article 1,023 of its minutes, dated 28th August, 1895, wherein it was laid down that this resolution should come into force immediately after publication in the *Staatscourant*.

DR. W. J. LEYDS,
State Secretary.

Government Office, Pretoria,
29th August, 1895.

Resolution of the Hon. Second Volksraad, Article 1,408, dated 27th August, 1895.

The Second Volksraad, having considered the Government missive, now on the order, including a letter from Field-Cornet Botha, and a telegram from Field-Cornet Cronjé, with regard to the drawing for claims, now to take place, by youths of sixteen years, the Second Volksraad, taking into consideration that this drawing is a special matter, resolves:

That in such special cases youths above the age of sixteen years, whose names appear on the Field Cornet's lists, and the taxes of whose parents have been paid for the current year, shall be entitled to take part in the drawing under the following conditions:—

(1) Each of them must be provided with a Field-Cornet's or Assistant Field-Cornet's certificate, showing the name and date of his registration in the Field-Cornet's books.

(2) A certificate from the official under whose jurisdiction his parents come showing that the taxes of his father or guardian for the current year have been paid.

(3) Each of them shall be present in person on the day of drawing.

This resolution shall only be of force on places for drawing of lots of claims, and shall not be applicable in any other case.

APPENDIX C.

On the 12th of June, 1891, J. S. Curtis bought 78 prospecting claims on Turffontein from a certain Rautenbach. On the 18th of June, the secretary of the Village Main Reef G.M. Company, on behalf of which Curtis had acquired the claims, applied to the Mining Commissioner of Johannesburg for digger's licences for the said caims. On the refusal of the Mining Commissioner to grant digger's licences, the secretary applied for renewal of the prospecting licences. This request was also refused. Thereupon Curtis, in his capacity of managing director of the said company, made an application to the Court to compel the Mining Commissioner to renew the licences, maintaining that the main reef ran through the ground in dispute, and that such ground was proclaimed ground. The Mining Commissioner alleged that he refused to renew the licences because in consequence of a contract between the Government and the Deep Level Developing and Mining Township Syndicate, dated the 29th of October, 1889, the ground had been reserved for a township.

A rule *nisi* having been granted, the Court (Kotzé, C.J., and Jorissen, J.) refused to confirm it, Kotzé, C.J., said:—"The Court is of opinion that the rule *nisi* must be set aside. Assuming that the Mining Commissioner can be ordered, under certain circumstances, to renew prospecting licences, or to change them into digger's licences, such circumstances are not present here. Under Section 67 of Law 8 of 1889, the Government has the right to grant stands, provided it be not on gold-bearing ground. It is here disputed, and it is not known whether the ground is gold-bearing or not. Moreover, the Government has the power to grant a piece of ground larger in extent than the size of a stand, and that under one licence. Of this right the Government has made use, and there is nothing to show that it has here made an unfair use of this power. More especially is this so because the respondent was, and is, in possession, and the applicant was warned of this fact, and, notwithstanding this, went and pegged off, well knowing that months before the ground had been granted to the respondent. The respondent is entitled to the costs."

Curtis N.O. vs. *The Mining Commissioner of Johannesburg, and the Johannesburg Township Compauy*, decided on the 12th of August, 1891 (unreported).

The farm Klein Paardekraal was proclaimed on the 11th of October, 1886 with the exception of such portion as had been beaconed off for a "mijnpacht." On the 8th of November, 1888, the plaintiff pegged off a claim immediately adjoining the southern line of the Alexandra "mijnpacht," on the said farm. Some days afterwards the defendants shifted the southern line of the Alexandra "mijnpacht," so as to take in a portion of the plaintiff's claim, and shortly afterwards again shifted the line so as to entirely include the said claim in the "mijnpacht." In an action instituted by the plaintiff, the defendants were ordered to move the southern line of their "mijnpacht" to the place where it was at the date of plaintiff's pegging, and interdicted from committing any trespass on the said claim in the future.

Cathcart vs. *The Main Reef G.M. Company*, decided on the 25th of November 1889 (unreported), *coram* Kotzé, C.J., and Esselen and De Korte, J.J.

The beacons erected at the time of proclamation are the true boundaries, and they indicate the position of the "mijnpacht," and not the chart or diagram, when such does not agree with the beacons.

Substantial damages, assessed by the Court without evidence of special damage, ordered to be paid by trespassers who pegged, notwithstanding the fact that they saw the beacons which had been erected.

Nabob G.M. Company vs. *Phœnix G.M. Company*., decided on the 1st of March, 1890 (unreported), *coram* Kotzé, C.J., and Esselen and De Korte, J.J.

Where certain lapsed claims had been bought from the Government, and the purchaser, from whom the defendants, Barnato Bros., derived their title, finding that some of these claims were not on the line of reef, on the advice of the Claim Inspector took certain other claims on the line of reef instead, without filing powers of attorney for the fresh claims thus taken. Held: That the plaintiff, who subsequently pegged off the said fresh claims according to law, had a better title to them.

When a lapsed claim is bought, a title is acquired to a certain definite piece of ground, and not to any indefinite piece the size of a claim.

Powers of attorney once used for the purpose of obtaining licences for claims cannot be used a second time, but are, as it were dead.

Underwood vs. *Barnato Bros. and the Miniug Commissioners of Boksburg, coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J.; decided on the 13th of June, 1896, and reported in the *Cape Law Journal*, Vol. xiii., p. 226.

Where the Mining Commissioner of Boksburg had provisionally granted an application for a water-right made by the Gauf Syndicate, and the Head of the Mining Department had returned the said application to the Mining Commissioner to have a certain discrepancy between the application and the diagram eliminated, and the plaintiff pegged the ground, which was the subject of the application, before the publication of the amended application. Held, that, as the final confirmation of the water-right by the Head of the Mining Department was still pending, the ground was not open ground and could not be pegged.

Ginsberg vs. *The Gauf Syndicate and the Mining Commissioner of Boksburg*, decided on the 8th and 9th of July, 1896, *coram* Ameshoff, Morice and Gregorowski, J.J. (C.L.J. Vol. xiii., p. 225).

N.B. The application for a water-right in this case was made some time after the proclamation of the farm Leeuwpoort.

The plaintiff entered into a contract with the first defendant by which he acquired the right to *prospect* on a certain farm and the further right to purchase the said farm, within a certain period, for a certain price. The first defendant, notwithstanding this, sold the farm to the second defendant. The plaintiff sued the defendants for performance of the contract and rescission of the sale. The first defendant took the exception that the contract was *ab initio* null and void because it had not been *notarially* drawn. Kotzé, C.J., in delivering judgment, said: "The only question which the Court must decide is whether the contract is *ab initio* null and void under the Volksraad Besluit of August the 12th, 1886, Article 1,422. We are of opinion that the contract alleged in the summons does not fall under the terms of the V.R. Besluit or under the provisions of Article 14 of Law 7 of 1883. It is only said that the right to *prospect* or search for gold, etc., is granted to the plaintiff, with the further right to purchase the farm out and out. This is not a case of a grant of

rights to minerals or regarding rights to dig (*afstand van regten of mineralen of omtrent regten om te delven*), of which Article 1,422 speaks, nor of a grant of a right to minerals which are supposed to be present or are actually present on any farm as laid down in Article 14 of Law 7 of 1883. All that is granted to the plaintiff is the *mere right to search* for gold and other minerals and, whether these are found or not, the further right to purchase the farm. There is no *grant or cession of mineral rights or rights to minerals*, and we are therefore of opinion that the exception must be set aside with the costs."

Pearce v. *Olivier and others*, decided on the 13th of November, 1889 (unreported), *coram* Kotzé, C.J., and De Korte and Ameshoff, J.J.

On the 28th of May, 1887, a certain contract was entered into between the plaintiff (and others) on one side and the defendant on the other, one of the clauses of which contract was as follows; "The owners of and parties interested in the half farm Welgegund adjoining Oudedorp and transferred to the name of J. P. K. N. Bezuidenhout have agreed as follows,—that all rights, profits, and privileges, arising out of the mineral rights on the said half farm Welgegund shall be divided as follows, etc."

The plaintiff sued the defendant to have the agreement drawn up *notarially* in accordance with one of the terms of the agreement. The defendant pleaded that the plaintiff was debarred from suing because the agreement on which he sued was not *notarial* in accordance with the Volksraad Besluit of the 12th of August, 1886. The majority of the Court (Kotzé, C.J., and De Korte, J.) held that judgment should be given for the plaintiff. Kotzé, C.J., gave as his reasons, (1) that the literal interpretation of the above-mentioned clause removed the contract from the operation of the Volksraad Besluit; (2) that the circumstances of the case showed that in the above-mentioned clause no grant of mineral rights, but only a division of the privileges and proceeds thereof was in the contemplation of the parties; (3) that even if the said clause fell within the terms of the Volksraad Besluit, still the defendant could not be heard when he attempted to make use of that Besluit to the prejudice of the plaintiff, for this would be equivalent to a fraud on him. The action was brought to compel the defendant to comply with the terms of the Volkraad Besluit, by executing a proper notarial agreement as contracted between the parties. De Korte, J., based his judgment on the last ground above-mentioned.

Esselen, J. (diss.) held that the said clause fell within the terms of the Volksraad Besluit.

Steyn vs. *Bezuidenhout*, decided on the 6th of March, 1890 (unreported).

The Paarl Pretoria Company, claiming to be the owner of certain claims on the farm Langlaagte, in November, 1888, sold all its right to the said claims to the Central Langlaagte Company. In January. 1889, Donovan, maintaining that the ground was open, pegged off the same claims and instituted an action against the Central Langlaagte Company for ejectment. The claims were awarded to Donovan. When the summons was served on the Central Langlaagte Company, this company's attorney wrote on the 21st March, 1889, to the attorneys of the Paarl Pretoria Company giving them notice of the action, and advising that the Paarl Pretoria Company should intervene, seeing that this company sold the claim to Central Langlaagte Company.

The Paarl Pretoria Company took no steps to intervene, and, after judgment was given in favor of Donovan, instituted an action against Donovan and Wolff, as repre-

senting the Royal Langlaagte Company, to whom Donovan had in the meanwhile sold the claims. The defendants (Donovan and Wolff N.O.) pleaded *Res judicata*, and this plea was upheld and the plaintiffs held to be estopped from instituting the action on the ground that they ought to have intervened in the action of *Donovan* vs. *The Central Langlaagte Company.*

The Paarl Pretoria G.M. Coy. vs. *Donovan and Wolff, N.O.*, decided on the 25th November, 1889 (unreported), *coram* Kotzé, C.J., and Esselen and De Korte, J.J.

On the 2nd February, 1889, certain Scott and Sparks pegged off 12 claims on ground afterwards known as Schweizer's Township, and on the 7th February, 1889, they pegged off 12 more claims. In April, 1889, those claims were amalgamated in blocks and registered in the name of the Non Pareil Syndicate consisting of Scott, Sparks and Thomas Whitty. On the 2nd and 7th of September, 1889, the Mining Commissioner of Johannesburg refused to renew the prospecting licences, because, as he stated, he wished to compel the Non Pareil Syndicate to take out digger's licences instead of prospecting licences. Scott and Sparks alleged that the renewal was refused because the Government wished to lay out a township on the ground. The Non Pareil Syndicate made no objection and lodged no protest against the refusal to renew.

On the 21st September, 1889, a contract was entered into between the Government and Schweizer, giving the latter the right to lay out a township on the ground held by him. Schweizer had pegged in July, 1889, and he caused a diagram to be made of all ground held by him, which included the 24 claims above-mentioned. In March, 1890, Schweizer caused a sale to be held of the stands laid out by him, but only a few were sold. He thereafter ceded all his rights to Hollard and Van Boeschoten, who again ceded to the Rand Exploring Syndicate. In 1893, on the advice of a Government Commission, the Government decided to change the stands into claims and to issue claim licences to the Rand Exploring Syndicate, and the syndicate had to indemnify the Government against any claims which might be set up by persons who had previously held portions of the ground included in Schweizer's Township. Thereupon the Non Pareil Syndicate sent in a claim for a block of 12 claims, but this was refused, and an action was consequently instituted against the Rand Exploring Syndicate in March 1895. After the closing of the pleadings the Non Pareil Syndicate ceded all its rights to the Schweizer's Claimholders Rights Syndicate, which obtained leave, with the consent of the defendant syndicate, to appear as plaintiff. The Court found that the renewal of the *prospecting* licences was refused because the Mining Commissioner wished to compel the Non Pareil Syndicate to take out *digger's* licences instead, under Article 17 of Law 10 of 1887, and held that this syndicate must be taken to have abandoned its rights on the ground that it did not protest either when the renewal of prospecting licences was refused, or when Schweizer put up the stands for sale. Judgment was, therefore, given for the defendant with costs. The Court considered that the taking over of the rights of the Non Pareil Syndicate by the Schweizer's Claimholders Rights Syndicate was impeachable on the ground of champerty, but did not think it necessary to decide the case on that ground.

Schweizer's Claimholders Rights Syndicate, Ld., vs. *The Rand Exploring Syndicate, Ld.*, decided on the 25th of August, 1896, *coram* Kotzé, C.J., and Gregorowski, J., (not yet reported).

Certain persons who alleged that they were entitled to certain claims (127 in all) on the farm Turffontein, in the possession of the Rand Exploring Syndicate, joined with certain other persons present who had no interest in these claims, and formed the

Schweizer's Claimholders Rights Syndicate, Limited, with the object of obtaining possession of the said claims and working them. The consideration received by those persons who alleged that they were entitled to claims consisted of shares in the Syndicate, while the working capital of the company, out of which the expenses of litigation were to be defrayed, was advanced by some of the other persons who had no interest in the claims. The syndicate instituted action against the Rand Exploring Syndicate, and the defendants raised the plea of champerty. The Court held that the articles of association of the syndicate were tainted with champerty and were, therefore, *contra bonos mores*, and granted absolution from the instance with costs.

Schweizer's Claimholders Rights Syndicate, Limited, vs. *Rand Exploring Syndicate, Limited*, decided on the 4th September 1896, *coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J. (not yet reported).

The plaintiff, Schuler, had certain prospecting rights over certain property. On the 27th February, 1895, he entered into a contract with the defendants Sacke and Saenger, the terms of which were contained in a letter written by Saenger on behalf of himself and Sacke. According to this agreement Schuler was to receive a certain sum of money and a certain number of shares on "flotation, sale, or otherwise" of the property. On the 24th of September, 1895, the defendants sold all their rights to George Albu as trustee for a certain company to be floated. The company was floated on the 1st of November, 1895, under the name of the Sacke Estates and Mining Company, Limited. The defendants, while admitting the agreement of the 27th of February, said that the property had never been sold or floated into a company, but that they had merely sold their rights under the agreement to George Albu Q.Q., and that, therefore, the Sacke Estates and Mining Company, Limited, stood in their shoes and would be liable to the plaintiff when the property was actually sold or floated.

Under these circumstances Jorissen, J., sitting at Johannesburg, held that there had been such a dealing with the property as was contemplated in the agreement and that, therefore, the plaintiff was entitled to the money and shares claimed. On appeal to the full Court in Pretoria this judgment was upheld.

Schuler vs. *Sacke and Saenger*, decided (on appeal) on the 4th of August, 1896, *coram* Ameshoff, Morice and Gregorowski, J.J. (not yet reported).

On the 19th of February, 1895, Jooste, who was the owner of certain 70 claims in the district of Potchefstroom, entered into an agreement with Carlis, under which the latter obtained the exclusive right to prospect for gold on these claims. It was further agreed that Carlis should "have the sole and exclusive right and power of purchasing, selling, floating into a limited liability company, or otherwise disposing of the said claims, provided that upon such purchase, sale, flotation, or disposal" he should pay to Jooste £100 or 100 fully paid-up shares for each claim so disposed of.

It was further agreed that the formation of a syndicate for the purpose of merely testing or exploiting such claims should not entitle Jooste to claim the above-mentioned consideration.

On the 26th of October, 1895, Carlis ceded his right or option under the agreement to Jacob Creewel, William Peter Taylor, and the firm of S. Neumann & Co. On the 29th of October Creewel ceded his one-third share in the said right or option to the Klerksdorp Proprietary Mines, Limited. Thereupon Jooste sued Carlis for £7,000 or 7,000 shares in the Klerksdorp Proprietary Mines, Limited. It appeared in evidence that there was an understanding that W. P. Taylor and S. Neumann & Co.

would transfer their rights to the above-named company. Carlis contended that the claims had not been sold, floated, or otherwise disposed of, but that he had merely *ceded his right or option* under the agreement of the 19th of February.

The majority of the Court (Gregorowski and Kleyn, J.J., Morice, J., diss.) held that the plaintiff was entitled to succeed, on the following grounds:—That Carlis had made over all his rights and obligations to Creewel, Taylor, and S. Neumann and Co., for value received, but Jooste obtained no rights as against these persons. That it would be unfair to allow Carlis, by cleverly framing his agreement, to keep Jooste out of his money for an indefinite time and in the meanwhile enjoy all the benefits which he would have enjoyed in the case of an actual sale. That such was not the intention of the parties. That the fact that the formation of a syndicate to test or exploit the claims did not entitle the plaintiff to payment, showed that in this case he was so entitled, as the defendants did not allege that the Klerksdorp Proprietary Mines, Limited, was such a syndicate. That Carlis was more or less in the position of an agent for Jooste, and therefore in a position of trust. That under these circumstances such an alienation as was contemplated in the agreement must be considered to have taken place.

Morice, J. (dissentiente) held that this case could be distinguished from the case of *Schuler* vs. *Sacke and Saenger*, because in that case Schuler was not the owner of the ground. He merely had certain rights *in personam* against the owner of the ground. When Sacke and Saenger made over their rights under the agreement of the 27th February, 1895, to the company, they disposed of all the rights which Schuler had possessed in the ground, and there remained nothing further which he could have transferred, and therefore he was entitled to the stipulated consideration. But in this case Jooste was the owner of the claims, and when Carlis ceded his rights and liabilities to Creewell, Taylor, and Neumann & Co., he did not transfer Jooste's *jus in rem* in the claims. Jooste could not be prejudiced because the claims were registered in his name, and he was not bound to give transfer until he received the stipulated payment. Moreover, the use of the words "assignees" and "successors" in the agreement showed that it was contemplated that Carlis could cede his rights. As a matter of fact cessions of such options were of frequent occurrence as a speculation on the goldfields. As it did not appear that such an alienation as was contemplated in the agreement had taken place, his Lordship considered that the judgment should be absolution from the instance.

Jooste vs. *Carlis and Creewel*, decided on the 27th of August, 1896 (not yet reported).

The Plaintiff Syndicate alleged that Alfred Berriman, q.q. the Berriman Syndicate, on the 21st December, 1894, took out 100 licences and pegged off 100 claims on Block B, on the farm "Draaikraal," district Heidelberg, and renewed the licences till the 21st of September, 1895. Further, that on the 21st of February, 1895, he took out 115 licences, and on the 4th of March pegged off 115 claims on another portion of the same Block B, and renewed the licences till the 15th of September, 1895. That in March, 1895, Simpson, the defendant, lodged a protest against the numbering of the said claims. That thereupon the Mining Commissioner refused to allow the claims to be numbered, and in September refused the renewal of the licences.

The defendant alleged that on the 18th of February, 1895, he took out 100 licences and pegged the ground which the plaintiff alleged Berriman pegged in December, 1894, and that he still held the claims. That Berriman did not properly peg the ground in December, 1894, because he erected *corner* beacons *only*, and that the plaintiff

fraudulently held about 200 claims (viz. the whole of Block B) under only 100 licences. The 115 claims were not in dispute.

The Court found that Berriman pegged only the 100 claims in December, 1894; that he put in only *one centre* peg for each claim, and did not put in the corner pegs as required by law; and that in February, 1895, he placed an iron sign board at each corner of the block of 100 claims. It held that the provision of Article 63 of Law 14 of 1894, with regard to *two centre pegs* was unintelligible, and that the plaintiff had sufficiently complied with the law. Further, that as the plaintiff had made a trench round the block of 100 claims there could be no doubt as to their exact situation, and that therefore the non-compliance with the provision of Article 63, with regard to corner pegs within seven days, was not fatal. Further, that the defendant was a "jumper," and that in a dispute between a "jumper" and a *bona fide* pegger the Court would not lightly deprive the latter of his claims on a mere informality, seeing that the law does not say that such informality shall entail forfeiture.

Judgment was therefore given in favour of the plaintiff for the 100 claims in dispute with costs.

Berriman Syndicate vs. *Simpson*, decided on the 4th of September, 1896, *coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J. (not yet reported).

On the 7th of December, 1894, the plaintiff, Dawe, pegged off 74 claims on the farm "Middelvlei." In February, 1895, he gave instructions to have the ground surveyed. On the 8th of March, 1895, the survey took place, and on the 28th of March he received the surveyor's diagram. He then for the first time found out that the ground pegged comprised 105 instead of 74 claims. On the 30th of March he applied to the Responsible Clerk at Doornkop, under Article 62*f* of Law 14 of 1894, for the surplus ground, *i.e.* 31 claims. This application was granted by the Responsible Clerk on the 6th of April, 1895, whereupon Dawe took out the necessary licences for the said 31 claims. On the 22nd of March, 1895, Cordeaux having found out that Dawe had pegged off more ground than his 74 licences entitled him to, provided with licences went and pegged off 25 claims on the said ground. He at the same time made application for these 25 claims, but the Responsible Clerk refused to give them to him. In July, 1895, however, these 25 claims were granted to him by the Head of the Mining Department. Dawe instituted an action for a declaration of rights. The Court assumed that Dawe had acted *bona fide* in pegging 105 claims instead of 74 under 74 licences, but held that, as he had only 74 licences, and intended to peg only 74 claims, whatever surplus there was above the 74 claims had to be looked upon as *open* ground, and as Cordeaux had properly pegged 25 claims on the 22nd of March, 1895, before Dawe applied for the surplus ground under Article 62*f*, he thereby acquired a good title to the said 25 claims. The Court further held that as Dawe had pegged first he was entitled to 74 claims, beginning from the place where he started pegging, and that Cordeaux was entitled to 25 claims on the remainder of the ground. Judgment was therefore given in favour of Cordeaux for 25 claims with costs.

Dawe vs. *Cordeaux and the Responsible Clerk of Doornkop*, decided on the 4th of September, 1896, *coram* Kotzé, C.J. (not yet reported).

On the 13th of June, 1888, all Government ground in the district of Heidelberg was thrown open. In March, 1893, the defendants pegged off a certain piece of ground on Vogelstruisbult under 800 licences. On the 10th of April, 1893. the Mining Commissioner refused to renew the licences because there was a dispute between the Government and one Botha, the owner of Daggafontein, as to whether the ground belonged to the Government or to Botha. The Mining Commissioner

assured the defendants that if it should afterwards appear that the ground was Government ground they would retain their rights. In February, 1895, it was settled that the ground belonged to the Government, and the defendants thereupon on the 9th of March, 1895, renewed their licences. They, however, renewed only 600 licences. On the 29th of April, and 6th and 9th of May, 1895, the plaintiff pegged off the ground for which the defendants held the 600 licences under 1,173 licences. After the pegging by the plaintiff, the defendants had the ground surveyed, and found that it comprised 1,173 instead of 600 claims. They thereupon applied under Article 62*f* of Law 14 of 1894 for the 573 surplus claims, and their application was granted by the Head of the Mining Department in July. Thereupon, the plaintiff instituted action for a declaration of rights. He alleged that the defendants had no right to any of the 1,173 claims (1) because they in 1893 abondoned their rights, and did not peg again in 1895; (2) because they fraudulently held 1,175 claims under 600 licences.

The Court held that the defendants did not abandon their rights in 1893, and that when they renewed their licences on the 9th of March, 1895, their original pegging was still good. That when the plaintiff pegged in April, the defendants were in possession of the ground under 600 licences, and that it was not necessary to decide what would have happened if the plaintiff had pegged before the 9th of March, *i.e.*, before the defendants obtained renewal of their licences. Further, that although the defendants had pegged ground comprising 1,173 claims under 600 licences, there was no intention to defraud, and no one was prejudiced, and that therefore the defendants were entitled to 600 claims. With regard to the 573 remaining claims, the application for them was not granted (or made) until after the plaintiff's pegging, and consequently at a time when the ground was no longer open. Further, that, as the defendants had been the first to peg, they were entitled to choose their 600 claims first, and for this purpose they were allowed fourteen days, and that the plaintiff was entitled to the remaining 573 claims. Defendants were ordered to pay costs.

Neubauer vs. *Van Diggelen and Wilson* decided on the 4th of September, 1896 *coram* Kotzé, C.J., and Ameshoff and Gregorowski, J.J. (not yet reported).

On appeal from the decision of the Landdrost of Johannesburg, the Court held that digging a furrow to carry off water and cleaning it was sufficient working of the claims by the company holding them, and set aside the judgment of the Landdrost.

Henry Nourse G. M. Coy. vs. *Eland*, decided on the 5th of July, 1889, *coram* Kotzé, C.J., and Jorissen and De Korte, J.J. (unreported).

A person digging for gold on a proclaimed goldfield, under the Gold Law of 1875, without a licence, is a wrong-doer.

A gold-mining concession, granted by the Government and confirmed by the Volksraad, provided that all diggers at present digging on the farm embraced by the concession shall be compensated:—*Held*, that this did not entitle the diggers to peg out and work new claims on the farm, after the granting of the concession, and that they must be interdicted from so doing.

Gilbaud and Co. vs. *Walker and others*, decided on the 4th of December, 1883, *coram* Kotzé, C.J., and Burgers and Brand, J.J. (Kotzé's Reports, 1881-1884, page 82).

Digging for gold without a licence renders the digger a tresspasser under the Gold Law of 1875.

By virtue of the Volksraad Resolution of 11th June, 1883, Article 269, no one can dig for gold on private property without the consent of the owner or concessionaire.

Cohen, Goldschmidt, & Co. vs. *Stanley and Tate* (Kotzé's Reports, 1881-1884, page 133), decided on the 28th February, 1884, *coram* Kotzé, C.J. and Burgers and Brand, J.J.

A gold concession, granted to the respondents, contained a clause providing that all diggers on the farm, over which the concession was granted, shall be entitled to compensation, and in case the concessionaires and the diggers should not come to an agreement on the point, the Government shall fix the amount of compensation. The applicant, as digger, moved the Court for an order directing the respondents to proceed to arbitration as to the amount of compensation:—

Held, that the application must be refused, as there was no allegation that the applicant had applied to the Government to fix the amount of compensation.

Stanley vs. *Goldschmidt & Co.* (Kotzé's Reports, 1881-1884, page 155).

RESOLUTION OF THE HONOURABLE FIRST VOLKSRAAD, ARTICLE 1,261, DATED 25TH AUGUST, 1896.

The First Volksraad, having regard to the Government missive, dated 12th instant, and to all the memorials referring to the so-called undermining rights, at present under discussion; considering that the First Volksraad, by Article 1282 of the 20th September, 1895. postponed this matter in order to hear the opinion of the public thereupon, and that the great majority have delared themselves in favour of reserving these undermining rights for the owner and also for the State: considering that digging under townships, storage stands (bewaarplatsen), etc., was always forbidden by the old Gold Law, Article 21, resolves to continue to maintain the prohibition clause (of Article 121 of the Gold Law of 1895) until such time as it shall appear necessary to the First Volksraad and to the Government to suspend the said prohibition clause, and thereupon to allow the working of such grounds under regulations framed by the First Volksraad, and subject to this proviso, that, when it is decided to do so, the preference with regard to such undermining rights shall be given to the highest bidder at a public sale, and half of the proceeds of such a sale shall, after deducting expenses, be awarded to the State and the other half to the lawful owner of such farm or ground, or his lawful heirs, and in the event of a special agreement having been made with regard to the licence monies, the person thus acquiring rights shall be entitled to the owner's half.

CORRESPONDING ARTICLES

Of the Gold Laws of 1894, 1895, and 1896.

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NOTE.—Article 61c of Law 14 of 1894, dealing with provisional prospecting licences, and Articles 82 and 82a of the same Law, dealing with transfer duty, are not included in Law 19 of 1895.

Article 78 of Law of 1895 is partly deleted and partly dealt with in Article 77 of present Law.

Articles 84 and 85 are deleted, but a portion of the subject dealt with comes under Article 77 of present Law.

Article 90 of Law of 1895 does not appear in the present Law, but is dealt with under Article 88.

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XVII.

EXTRACTS FROM THE NETHERLANDS RAILWAY REPORT FOR 1896.

(Report published at Amsterdam).

EXPLOITATION.

On the 1st January, 1896, the following lines were in exploitation:

	Length. Kilometres.	Miles.
Krugersdorp-Johannesburg	32	20
Johannesburg-Elandsfontein	16	10
Elandsfontein-Springs	34	21
Mid Vaal River, Elandsfontein	66	41
Elandsfontein-Pretoria	59	37
Portuguese border-Pretoria	472	295
Kaapmuiden-Avoca	28	18
Natal Border Junction (South line)	256	160
Total	963	602

In the course of 1896 were brought in exploitation:

Avoca-Barberton	27	17
Krugersdorp-Frederickstad	85	53
So that on the 31st of December, 1896, were in exploitation ...	1075	672

On the 11th of January, 1897, the section Frederickstad-Potchefstroom was also opened for service, length, 25 kilometres or 16 miles, so that now 1,100 kilometres or 688 miles are being worked.

Again, our service of exploitation has had to cope with an extraordinary expansion of traffic, and the time has not yet come when it is possible to concentrate attention on the improvement and perfection of the service. The bringing into working of the new lines and the organisation of the service on the lines newly opened, constantly occupied a great deal of the working power of our staff.

On some parts of our system the train service was extended in such a way that it was considered necessary for safety's sake to take special precautionary measures.

On the Eastern line as well as on the Southern line the number of crossing stations was augmented considerably.

Besides the third railway track between Johannesburg and Elandsfontein, of which mention was made in the preceding report and which was almost completed during this year, it was resolved, principally in connection with the coal traffic, to double the rail section, Elandsfontein-Brakpan, 20 kilometres. The extended train service on the section, South-Eastern line to Elandsfontein, over which the Natal traffic, as well as the Cape traffic, goes, necessitated the doubling of that rail section, of which the completion may be looked forward to in 1897.

The fact, that daily, 120 trains enter the station Elandsfontein and as many trains leave that station, that several of those trains are split or coupled on at that station, that passenger trains have to wait there for junction, because the trains from the directions Delagoa Bay, Natal, Cape Colony, Springs and Klerksdorp, join there, makes that station, as regards external service, the most important in the whole of South Africa. Thanks to a well-studied system of signals, this station is safe, but delay is oftentimes unavoidable there. In order to remedy this, the station will be freed from a portion of the traffic, by the building of a connection-curve between the south and the west, by which it will be possible to bring trains with goods exclusively destined for Johannesburg and the stations situated more westerly and coming from Natal or the Orange Free State to their destination without entering the station.

This so-called "fork" is ready now.

Besides these works of greater extent, the chapter "extension works," appearing elsewhere in this Report, will give an idea of the continual activity in this direction and also on other points of our system.

Our wagon yard also underwent, in connection with the rapid increase of the traffic, a considerable enlargement. In the course of the year we were obliged to increase the regular despatch of freight wagons from 100 to 150 per month, which was continued till far in 1897; 59 new locomotives were shipped, while the current order comprises the sending of 41 others for October, 1897.

The drastic measures for the strengthening of the traffic power of our lines made it possible for us to pretty well fulfil the requirements of the traffic, and our service might—taking into consideration the extraordinary circumstances—be called regular, were it not that a period of mishaps and calamities had marked the year 1896 as particularly unfavourable in this respect. We will come back to this subject in a following chapter.

The working of our goods service at Johannesburg, where the arrivals of foreign goods from the three chief directions principally concentrate, was a continual source of much trouble, although this year no mention is to made of blocks; and though our powers threatened to fail, the extension of our works and appliances, and also of our staff, proved to be in accord with the increase of the traffic.

A new difficulty presented itself when the principal of our two delivery contractors at Johannesburg wished to be discharged from his obligations, and when we were forced to take this portion of the working of our service under our own direction. This alteration however, only came into operation on the 1st January, 1897.

If we thereby undertook an extensive business with which technical difficulties are connected, on the other hand the gain is, that we are not dependent on a contractor independent of our service, and have it in our hands to act in the promptest manner in case of the often abnormal and rapidly changing conditions in Johannesburg. That Mr. Van Stipriaan Luiscius, head of traffic and business affairs at Johannesburg,

completely knowing the requirements of the delivery service, declared himself ready to take on himself the conduct of it, made this undertaking very easy for us. As far as can be judged of the results, we have every reason for satisfaction.

The passenger traffic, although standing much behind the goods traffic as to importance, constantly develops at Johannesburg and surroundings, and assumes great dimensions.

In inland traffic the number of passengers went up from 912,198 in 1895 to 1,271,509 in this year.

Of this amount 328,766 departed from the stations of the Rand tram and from the stations between Pretoria and Elandsfontein.

From Johannesburg about 1,000 passengers per day left by local trains, besides the passengers on the direct service with the Cape Colony, Lourenço Marques, and Natal.

In the whole year there were carried in direct service:—

From Cape Colony and Orange Free State	93,850
To " " "	84,533
From Lourenço Marques	9,482
To " "	12,703
From Natal	49,593
To "	52,280

Coming into the Republic ... ... 152,925 passengers.
Leaving " " ... ... 149,516 "

These figures, however, do not give a very exact idea of the immigration, because the traffic of the coloured people (for the greatest part kaffirs) is of an altogether different character from that of the whites.

In the traffic with Lourenço Marques and Natal, the whites travel exclusively in in the first and second class, and, from the figures of the incoming and outgoing passengers, it appears that along both these routes 1346 whites less have come into the Transvaal than have left it.

In the traffic with the Cape Colony and Orange Free State to whites direct third class tickets are given; whereas, on our line, the tariff of the coloured people class has been adopted. While in that traffic 36,023 passengers, first and second class, have come in, and 34,344 have left, 43,067 whites arrived with above-mentioned third class tickets in the South African Republic, and only 26,525 passengers left it.

The increase of the white population, therefore, consists almost wholly of persons who are carried in the lowest class and, on our line, at the tariff of coloured persons. As was to be expected, the opening of the connection with the Natal South Eastern line has brought an alteration in the division of the harbour traffic.

The traffic *via* Durban was constantly increasing during the whole year, and likewise the traffic *via* Lourenço Marques, but less quickly. The traffic of the Cape Harbours, however, remained almost stationary. It was, in the middle of the year, higher than the year before, but in the latter months it began to fall off.

This natural division is very satisfactory, and confirms the expectation that the increase of the number of lines would not have a crushing effect on the existing ones, and that all would get a traffic, often so great that an increase of it has to be looked forward to with anxiety.

The following small table gives an idea of the development of the direct traffic with the connecting railways :—

GOODS TAKEN OVER (IN TONS).

MONTHS.	1895.				1896.			
	Port Border.	Natal Border.	O.F.S. Border.	Total.	Port Border.	Natal Border.	O.F.S. Border.	Total.
January ...	†4000	...	12500	16500	8500	8000	12500	29000
February ...	1500	...	11500	13000	11000	8500	21500	41000
March	3500	...	13500	17000	11500	12500	19000	43000
April	5500	...	15000	20500	11500	11500	19500	42500
May	6000	...	19000	25000	12500	15500	28000	56000
June	5000	...	18500	23500	9500	18500	25500	53500
July	5500	...	22500	28000	12500	17500	29000	59000
August ...	9000	...	24500	33500	14500	19500	23500	57500
September ...	8000	...	19500	27500	13500	21000	21500	56000
October ...	7500	...	25000	32500	12500	20500	21000	55000
November ...	8500	2500	29000	40000	15000	18500	20500	54000
December ...	8000	2500	24500	35000	12500	17500	16500	46500

† Block in traffic through collapse of Cape Bridge.

Taking into consideration that among the goods imported *via* the Natal and Orange Free State border, is much produce of the African soil, while this is not the case *via* the Portuguese border, it will be clearly seen what a considerable portion of the foreign traffic the harbour of Lourenço Marques has already attracted.

By some increase of hauling power, the Portuguese portion of the line was able to cope with the growing traffic in a fairly satisfactory way, but still nothing was done for the improvement of the harbour works at Lourenço Marques.

It is known to us, that big works at Lourenço Marques, constantly form the subject of enquiry, but nothing is yet to be perceived of any attempt to construct them.

The exploitation of the successively opened portions of the Klerksdorp line (South Western line) gave in the beginning no unsatisfactory results. Sight must not however be lost of the fact, that through the rinderpest, the transport per ox wagon, which in these parts, through the situation of the principal places, is the most suitable, was totally stopped, and it is not impossible that this has influenced the results of the exploitation.

The service can be done with one mixed train per day in each direction.

TRAFFIC.

This branch of our service, as has already appeared from the preceding, has caused considerable trouble in connection with maintaining adequate arrangements for dealing with the increasing demands of the service.

The usual service for the maintenance of the lines, on the older lines, more and more approached a normal condition, as the finishing and ballasting of the portions more recently brought into use was completed.

The condition of the rails, buildings, and works cannot be otherwise spoken of than with satisfaction.

The constantly increasing demands on the arrangements for the safety of trains and stations, made it necessary to establish a separate section for signalling and telegraphy, of which the organisation came into existence in the past year.

The scarcity of water, by which the whole year was marked, necessitated considerable extensions of our works for the supply of water.

TRAFFIC STATEMENTS.

The following table gives a comparative statement of the results of our exploitation during the last three years:—

	1896.	1895.	1894.
Average length in exploitation	1,004	754	445
Number of day kilometers ...	367,464	275,210	162,333
„ train „ ...	5,467,453	2,701,868	1,608,557
„ passengers, 1st class	471,301	296,614	137,462
„ „ 2nd „	490,455	371,979	327,002
„ coloured people ...	603,643	399,732	232,991
„ Government passengers	8,551	2,273	901
Baggage (English pounds) ...	5,699,186	3,056,258	1,562,885
Packages „ „ ...	7,480,814	4,691,351.	2,915,333
Parcels „ „ ...	28,462,953	22,204,004	6,228,825
Normal goods „ „ ...	777,476,948	542,468,639	403,003,351
Intermediate goods „ ...	295,334,159		
Rough goods „ ...	2,373,531,522	1,677,778,727	1,145,144,513

The proceeds amounted to:—

	£	s.	d.	£	s.	d.	£	s.	d.
Passengers and Baggage ...	610,141	2	7	329,562	13	5	152,415	3	3
Goods and Cattle	1,945,229	17	5	1,031,626	0	4	523,966	6	5
Telegraph	5,186	18	3	3,813	19	3	2,263	15	11
Import duties	242,198	3	8	137,337	2	3	56,536	9	5
Sundries	100,759	18	6	47,731	18	0	62,200	7	0
Total	2,903,516	0	5	1,550,071	13	3	797,382	2	0

Under sundries are to be understood the extraordinary receipts from the traffic, the profits accruing from leases of bars, bookstalls, etc., rent of houses, depositing places, rolling stock in use by contractors, etc., also the payment for the use of our pier at Lourenço Marques.

For the first time the returns of the Klerksdorp line are included in the returns, and this to the amount of £13,951 10s. 1d.

The costs of working were in 1896	£1,197,841 18 8
These were in 1895	868,297 15 2
And in 1894	388,239 15 10

Finally we give here a comparative statement of the principal traffic figures:—

	1896.	1895.	1894.
Returns per kilometer length ...	£2,891 18 11	£2,055 15 11	£1,791 17 5
Returns per day kilometer ...	7 18 0	5 12 8	4 18 3
Returns per train kilometer ...	0 10 7$\frac{2}{5}$	0 11 5$\frac{3}{5}$	0 9 11
Cost per train kilometer	0 4 4$\frac{2}{5}$	0 4 11$\frac{2}{5}$	0 4 10
Traffic cost in % to receipts ...	41·25%	48·49%	48·68%

FINANCIAL STATEMENT.

The unexpectedly rapid increase of the traffic on our lines compelled us, in case we wanted to satisfy the just requirements of the public, to extend in the most solid and quickest way our engine and waggon-yard, to enlarge many stations and to lay double lines on the busiest sections.

As the money necessary for those disbursements had to be obtained from the reserve fund and the Volksraad decided that doubling of rails, as an extension, had to be charged to that fund, the disbursements exceeded the receipts of the fund and the credit balance included therein.

By resolution of the Volksraad of 8th December, 1896, we were authorised to issue a loan of not more than 13,200,000f. (£1,100,000), and to charge the reserve fund with the interest and amortisation thereof.

The extraordinary meeting of shareholders held on the 9th of January, 1897, approved of the proposal of the Direction to raise a loan of 4%, amounting to 13,000,000f., or 21,970,000 reichsmark, and to redeem the 8,815,000f. still standing out in 5% obligations of the loan of 1891, unless the holders were satisfied with a reduction of interest from 5% to 4%, commencing on April 1st.

Almost all the holders availed themselves of the opportunity of having their obligations converted.

Political struggles which set in in the meantime made us resolve to postpone the issue of a portion of the new loan for a while.

Under the heading "Floating Goods," all goods are included which are sent from Europe and have not yet arrived in Africa on December 31st, or had not yet been put together and rendered fit for use. Under that heading an amount of 938,636f. (£78,219 13s. 4d.) appears for locomotives and carriages, which are to be charged to the reserve fund, as also the whole amount of 3,547,352·37f. (£297,862 13s. 11d.) for works and construction, being the extension works which were uncompleted on December 31st.

The obligatory redemptions of loans, which are deducted from the balance of the exploitation account, amounted to 208,000f. (£17,333 6s. 8d.) in 1896.

The fixed amount of 214,839·63f. (£17,903 6s. 1d.) has been paid into the reserve fund of the tramway this year, but out of that fund 622,737·25f. (£51,894 15s. 5d.) for extensions and 26,741·05f. (£2,228 8s. 5d.) for extraordinary repairs had to be paid. The said reserve fund remained in debt to the Company, 418,704·89f. (£34,892 1s. 6d.)

3,285,473·46f. (£273,789 9s. 1d. were paid into the reserve fund of the railway. but out of it 722,509·70f. (£60,209 2s. 10d.) were paid for extensions; 147,542·80f, (£12,295 4s. 8d.) for extraordinary repairs; and 1,795,871·05f. (£149,655 18s. 5d.) for locomotives and rolling stock.

There was on December 31st still 1,871,563·90f. (£155,963 13s. 2d.) in the fund, therefore much less than required to make the extensions appearing under "Floating goods" and "Works in construction."

An amount of 259,310f. (£21,609 3s. 4d.) will be paid this year into the amortisation fund. This amount, increased by a balance of that fund not invested, appears in the balance sheet. The South African Republic appears as creditor this year to an amount of 6,576,000f. (£548,000), being the amount given for the building of the Klerksdorp line.

This year two items appear under the charges, which we hope will never occur again. The one, amounting to 89,529·60f. (£7,460 16s.), is a donation to the victims of the dynamite explosion in Johannesburg on February 19th, 1896; the other, amounting to 1,824,000f. (£152,000), was given by us to the Government's Commission as a contribution for compensation for the damage caused by this explosion.

According to Article XXXIII. of the Concession, after the obligatory interest and amortisation of the loans, the contribution towards the amortisation fund and the guaranteed dividend have been deducted from the balance of the account an amount of 10,409,873·04^{5}f. (£867,489 8s. 5d.) remains. According to Article XXXIV. of the

Concession, 90 per cent. thereof has to be paid out, so that as extra profit an amount of 1,040,987·30f. (£86,748 18s. 10d.) remains, to which has to be added another amount of 35,050·82f. (£2,920 18s.) brought forward from the year 1895 as undivided.

We submit to you as a recommendation the desirability of setting apart 1,050,000f (£87,500) of this amount as a payment of 7½ per cent. extra dividend on all shares, and to carry forward 26,038·12[5]f. (£2,169 16s. 10d.) to the new account.

If you approve of this, it will be possible to pay a further dividend on July 1st of 97·50f. (£8 2s. 6d.) on the shares of the second series and of 105f. (£8 15s.) on all other shares.

The following may be given in explanation of some of the headings in the balance sheet.

As the Natal line and the branch-line to Barberton were completed in 1896, it was possible to close the construction account of our main line and of the Natal line and include it under the heading: "the Railways," which now appears in the balance sheet for an amount of 67,405,451·75f. (£5,617,120 19s. 7d.)

In this amount is comprised 2,081,483·23f. (£173,456 18s. 9d.) for extension works, which proves that in 1896 an amount of 722,509·70f. (£60,209 2s. 10d.) has been spent on works completed on December 31st.

The completed extension works on the tramway required an expenditure of 622,737·25f. (£51,894 15s. 5d.), by which amount that heading has been increased.

On the building of the Klerksdorp line 5,329,870·99f. (£444,155 18s. 4d.) was spent in 1896.

The value of the goods in the inventory increased by 422,644·79f. (£35,220 7s. 10d.) principally through the opening of the new lines and of new stations, but also through the increase of machinery in the Central workshop at Pretoria and the furnishing of new appliances for the providing of water.

The number of locomotives was increased by 59 to the value of 1,776,769·30f. (£148,064 2s. 2d.), and that of the vehicles comprising various carriages and wagons, by 1,369, to the value of 2,935,401f. (£244.616 15s.); for the increase of our locomotive and wagon stock, 749,769·30f. (£62,480 15s. 6d.) and 1,046,101·75f. (£87,175 2s. 11d.) were respectively charged to the reserve fund.

Appendix 6 gives a specification of the locomotives and carriages, which our stock consists of. Of these, however, 8 locomotives and 471 carriages were not brought into use on the December 31st.

The stock account decreased by 762,140·50f. (£63,511 14s. 2d.) through the realization of stocks; on the other hand the deposit and "short bill account" increased by 1,904,800f. (£158,733 6s. 8d.)

The financial results of the year 1896, the fruit of extraordinary exertion and heavy labour under often unfavourable and disheartening conditions afford an idea of the expansion of the traffic in a country, which nine years ago made its first modest trial in the construction of a tramway along the goldfields in order to be able to extend the gold industry by supplying cheap coal.

Our company has existed for ten years, and has had, in that comparatively short

period, to surmount many difficulties, to endure many trying periods, but its prosperity has surpassed all that the most optimistic partisan for railway exploitation in the South African Republic has ever dared to imagine.

A word of thanks to the director, who has had such a difficult task in the work of management in Africa, and to the head and other officials who have assisted him so stoutly and zealously, is certainly not misplaced here, nor is the wish that all of them will retain the ability and the desire to continue to protect the interests of the Company in the same way as in the past.

We give hereunder a comparison of the receipts, according to telegraphic statements, for the first four months of 1897, when an average of 1098 kilometers were in exploitation, and of 1896, when that average was 963 kilometers.

In those first months of the current year the English press treated the public to a series of statements regarding the sad condition of the gold industry, but the figures of gold outputs and railway receipts appeared to be completely in conflict therewith. Those statements appeared more to point to a disappointment with respect to the profits made by goldmining companies than to a shrinking of the gold industry itself. A state commission has been appointed to ascertain the causes of this disappointment, and to indicate in what way things can be improved.

The co-operation of our company, for the attaining of the object in view, can be relied upon.

RECEIPTS FOR THE FIRST FOUR MONTHS.

		January.	February.	March.	April.
		1897.			
Railway revenue	...	£240,750	£233,850	£260,950	£240,060
Import duties ...	...	24,050	22,550	33,050	35,540
Coal Mine, Springs	...	4,100	4,300	4,500	4,500
Total	...	£268,900	£260,700	£298,500	£280,100
		1896.			
Railway revenue	...	£155,100	£195,100	£194,500	£206,500
Import duties ...	...	13,900	16,100	18,300	15,900
Coal Mine, Springs	...	3,100	4,500	4,700	4,900
Total	...	£172,100	£215,700	£217,500	£227,300

BALANCE-SHEET OF THE NETHERLANDS SOUTH AFRICAN RAILWAY COMPANY

On December 31st, 1896.

Dr.

The Railways...	£5,443,664	0	10				
Extension Works of the Railways ...	173,456	18	9				
				£5,617,120	19	7	
Tramway and Coal Mines, Springs and Geduld	£400,710	3	4				
Extension of Tramway, etc. ...	112,042	19	4				
				512,753	2	8	
Guaranteed Interest paid during Construction	£242,433	14	5				
Of which redeemed	48,946	11	8				
				193,487	2	9	
Construction Account, Klerksdorp				490,608	9	6	
Inventory Goods				132,011	13	5	
Locomotives				416,231	6	10	
Rolling Stock				645,171	18	6	
Cost of Erection				10,829	14	6	
Obligations of the 4 per cent. Loan in portfolio amounting to *f*6,000,000				9,666	13	4	
Obligations of the 5 per cent. Loan in portfolio amounting to £350,000				36,200	0	0	
Stock Account				98,663	14	11	
Deposits and Short Bills Account				194,566	13	4	
Bills to Collect				516	17	10	
Rate Difference of the Loans				167,202	12	8	
Floating Goods (Railway Material)				152,309	5	4	
Store Goods (Exploitation)				289,778	13	8	
Works in Construction (with Exploitation) ...				297,862	14	0	
The "Associatie Cassa" Balance				1,818	6	3	
Cash in Netherlands and South Africa				17,187	1	10	
The National Bank of the S.A.R., Ltd., at Pretoria ...				47,720	19	1½	
,, ,, ,, ,, London ...				15,149	14	7	
The Natal Government Railways				33,180	6	3½	
The Portuguese State Railway...				25,386	6	3	
Reserve Fund, Tramway				34,892	1	6	
Sundry Debtors				126,366	4	1	
Interest Account				1,409	6	2	
				£9,568,091	18	11	

Cr.

Capital	£1,166,666	13	4
The 4 p.c. Loan amg. to 6,000,000f. at par (per resto)...	473,000	0	0
,, 4 p.c. ,, 15,000,000f. ,, ,, ...	1,237,250	0	0
,, 5 p.c. ,, 12,000,000f. ,, ,, ...	739,916	13	4
,, 5 p.c. ,, £350,000	350,000	0	0
,, 5·8 p.c. ,, £2,000,000	2,000,000	0	0
,, 4 p.c. ,, £1,250,000	1,250,000	0	0
The S.A.R. gives for building Klerksdorp line ...	548,000	0	1
The "Associatie Cassa" for Outstandings ...	27,022	6	6
Labouchere, Oyens, & Co. here...	6,682	9	4
The National Bank of the S.A.R., Ld., Pretoria, for cheques still current	171,910	1	3
The Cape Government Railways	58,261	16	1
De Vos & Son here	1,329	18	0
Van Es & Van Ommeren here	5,105	6	2
Breuker & Wambersie here	91	9	0
Sundry Creditors	62,306	12	9½
Securities	7,990	13	2
Bills to be paid, Netherlands currency	275	0	0
Amortisation Fund of the 5·8 p.c. Loan of £2,000,000	22,179	17	5
Reserve Fund, Railway	53,445	6	4
Savings and Support Fund	2,109	5	9½
Extension Works of Railway (paid by Reserve Fund)	173,456	18	9
,, ,, Tramway, etc. ,, ,,	112,042	19	4
Locomotives (paid by Reserve Fund)	62,480	15	6
Rolling Stock ,, ,, ...	87,175	2	11
Payments former years (left unpaid)	104	7	6
Creditors for Interest on Loans (left unpaid) ...	2,520	10	0
Rents on Loans (not yet due)	10,107	10	0
Payment according to Article XXXIV. of Concession	780,740	9	7
Shareholders, for Profit in 1896	155,919	16	10
	£9,568,091	18	11

Audited and approved,
Amsterdam, May 31st, 1897.
The Board of Commissioners of the Netherlands South African Railway Compay.

(Signed) A. v. NAAMEN v. EEMNES, *Chairman.*
,, J. P. MOLTZER, *Secretary.*

Thus compiled and provisionally fixed,
Amsterdam, May 25th, 1897.
The Direction of the Netherlands South African Railway Company.

(Signed) VAN DEN WALL BAKE.

R 2

PROFIT AND LOSS ACCOUNT OF THE NETHERLANDS SOUTH AFRICAN RAILWAY COMPANY

On December 31st, 1896.

Dr.

To Interest and Amortisation of the 4 per cent. Loan, amounting to 6,000,000f.				£24,340	16	8
,, Interest and Amortisation of the 4 per cent. Loan, amounting to 15,000,000f.				55,990	0	0
,, Interest and Amortisation of the 5 per cent. Loan, amounting to 12,000,000f.				42,079	3	4
,, Interest Account of the 5 per cent. Loan, amounting to £350,000				15,350	0	0
,, Interest Account of the 5·8 per cent. Loan, amounting to £2,000,000				116,000	0	0
,, Interest Account of the 4 per cent. Loan, amounting to £1,250,000				50,000	0	0
,, Amortisation fund of the 5·8 per cent. Loan, amounting to £2,000,000				21,609	3	4
,, Payment Account to Article XXXIV. of the Concession				780,740	9	7
,, Shareholders for undivided balance of preceding year	£2,920	18	0			
,, Guaranteed dividend	66,250	0	0			
,, Share of surplus profit	86,748	18	10			
	£155,919	16	10			
Hereof to pay:						
13½ per cent. on 11,000,000f. ...	£123,750	0	0			
12 per cent. on 3,000,000f. ...	30,000	0	0			
To carry forward undivided to the following year	2,169	16	10			
				155,919	16	10
				£1,262,029	9	9

Cr.

By undivided balance 1895				£2,920	18	0
,, Account Article XXXIII. par. I. of the Concession				1,259,108	11	9
				£1,262,029	9	9

Audited and Approved,
Amsterdam, May 31, 1897.
The Board of Commissioners of the Netherlands
South African Railway Company,
(Signed) A. v. NAAMEN v. EEMNES, *Chairman.*
,, J. P. MOLTZER, *Secretary.*

Thus compiled and provisionally fixed,
Amsterdam, May 25, 1897.
The Direction of the Netherlands South African Railway Company,
(Signed) VAN DEN WALL BAKE.

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